

Figure 44: Scaled Isopach Maps

This structural framework resulted in four distinct reservoir zones:

- UM2
- Northern Channel
- UM3
- UM4

Due to the uncertainty in the lateral extent of the UM2 and its relative minor importance in this region of the Phase 1 development, it was excluded from the current static model

[Handwritten signature]

[Handwritten initials]

description. Similarly UM4 was excluded, since it was found to be water-bearing in the Mahogany 1 and Hyedna 1.

Northern Channel

The northern channel zone was modeled using Boolean or object modeling techniques. Since no wells have been drilled in this zone, no conditioning data was available to constrain the model. Two stages of facies modeling were employed. An initial model was constructed by inserting meandering channel bodies into the zone within broad flowline constraints that conform to the overall northern channel geometry. The wavelength sinuosity and channel width are based on measurements from the northern channel amplitude extraction.

The table below shows the range of the sandbody geometries.

Element	Minimum (m)	Mean (m)	Maximum (m)
Channel Width	150	500	1550
Channel Wavelength	1000	2000	4000
Channel Amplitude	750	1500	3000
Channel Thickness	5	10	15

Since the average net to gross in this region is unknown, an approximation based on seismic response was made and resulted in net thicknesses of 20m - 50m. The resultant facies model creates continuous sandbodies from the insertion point and produces an unrealistic degree of reservoir continuity along the length of the channel bodies. To increase the degree of stratigraphic reservoir heterogeneity, a second phase of object modeling was performed. In this phase, shale filled channel objects were inserted into the existing facies model. A proportion of 30% was inserted resulting in a relatively discontinuous model, yielding an overall net thickness map, see Figure 45a. The resultant facies model is shown in map view and cross-section view, see Figures 45b - 45c.

Property Modeling

Property distribution in the northern channel was performed using the methodology described for the Lower Mahogany. Since there are no wells to condition the porosity distribution in this zone, a normal distribution of porosity was sampled. The average porosity was 16.5%, with a standard deviation of 0.088%. These values are lower than the average porosity values within the main complex and were intentionally reduced to reflect the greater uncertainty in this zone. All shales in the model were set to zero

percent porosity. Permeability and water saturation were derived in a similar manner to that utilized in the LM2 model.

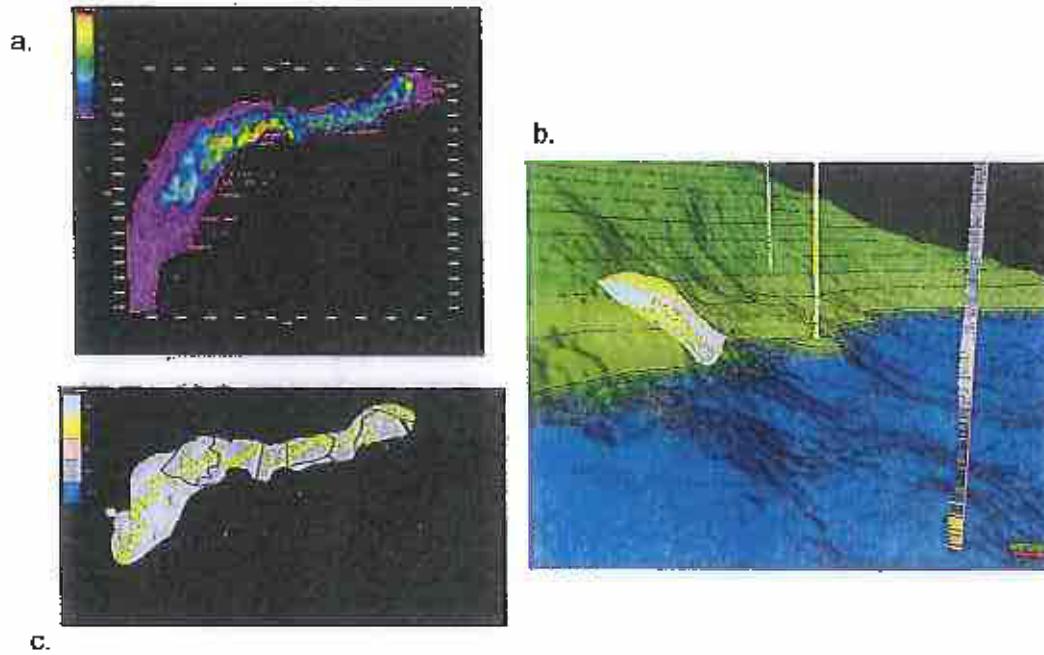


Figure 45: North Channel Area Static Model

Additional Reservoir Heterogeneity

A series of linear elements were mapped within the northern channel complex, similar to those mapped in the Lower Mahogany. It is unclear exactly what these features represent; however, they may represent channel edges, sandbody pinchouts, tuning or some other phenomenon. In the UM static model, they served as a proxy for defining reservoir compartments. Figure 46 shows the distribution of these elements in the UM description.

SD

AMM #
JJA

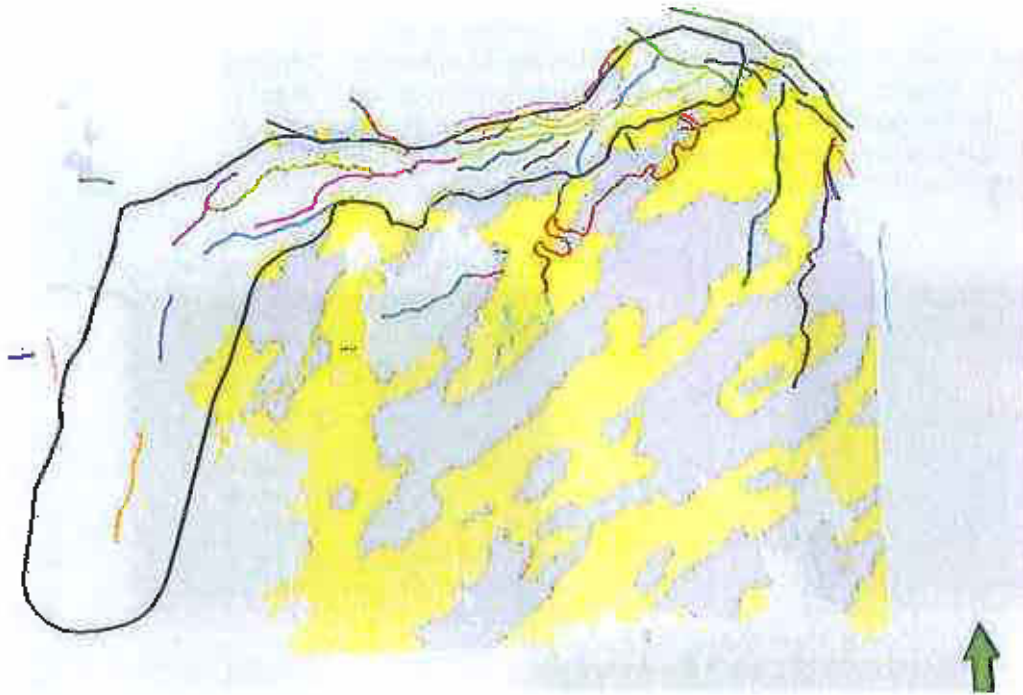


Figure 46: UM3 and North Channel Area Lineaments

UM3 Sand

Two key mapped surfaces in the Upper Mahogany provide the basis for the structural framework of this static model description. These maps are the top UM2 and base of UM3 structure maps.

To construct a top UM3 structure map the UM2 top structure map was depth shifted by scaling the top UM2 to base UM3 gross isopach by an average ratio of the thickness of the top UM2 to base UM3 well tops. This ratio was approximately 37%. The resulting scaled isopach was added to the UM2 top structure and flexed to the corresponding well tops.

Since no seismically derived maps, beyond the gross isopach map described above, were available during model construction, a conceptual net to gross map was constructed to guide the distribution of the facies. The map was intended to create a facies model that would exhibit the following characteristics: a northeast-southwest trend of the bodies, a general decrease in sand content to the southeast and pinchout of the overall zone to the northwest, southeast and ultimately southwest, see Figure 47a.

The UM3 Sand was modeled using sequential indicator simulation techniques.

Handwritten signature in blue ink.

Handwritten initials in blue ink: AM, JJA, and a circled symbol.

The following parameters were assigned to replicate the depositional fabric: 1500m for the length of the major axis, 500m for the minor direction and an azimuth of 53 degrees. Since the Upper Mahogany is viewed as a more discontinuous reservoir, the correlation length of the variogram in the Upper Mahogany was intentionally reduced from that of the Lower Mahogany. The resulting facies model is shown in map and section view in Figures 47b – 47c.

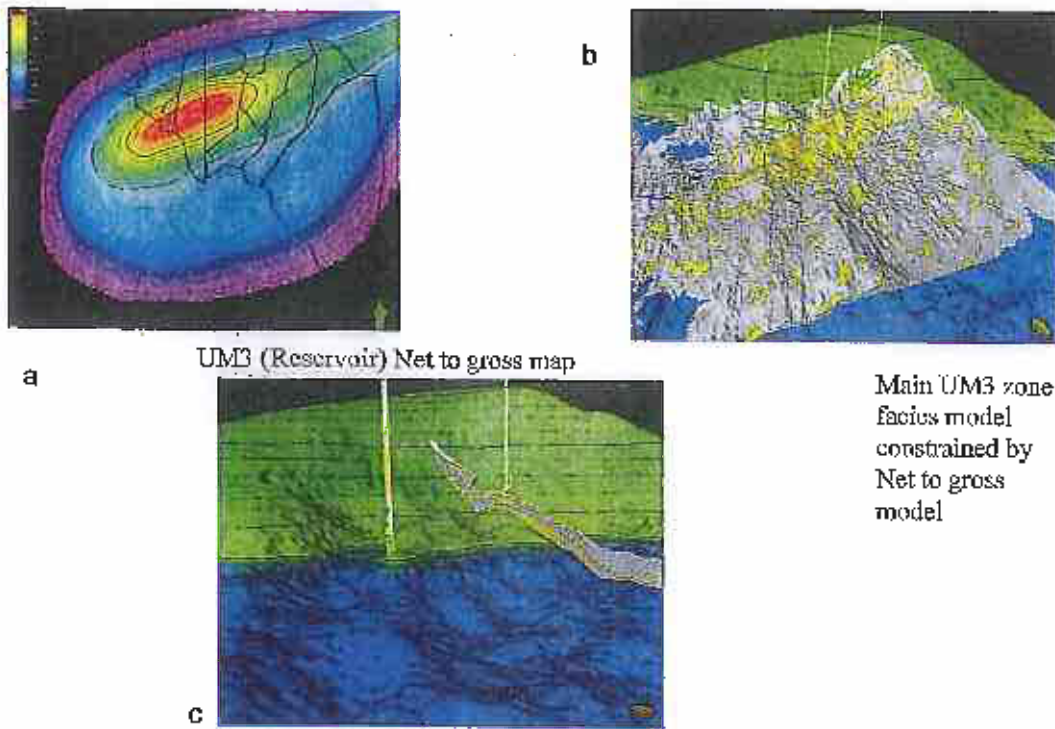


Figure 47: UMB Facies Model

Property Modeling

Porosity for the UMB zone was distributed using the techniques described earlier for the LM2 sand and conditioned to the wells. Similarly, permeability and water saturation were based on transforms.

The UMB static model was constructed to allow flow between the Northern Channel and the main UMB Sand. To provide this versatility in the dynamic model, each cell connection was examined and edited to ensure that sand-on-sand contact occurred.

[Handwritten signature]

[Handwritten initials: AMM & JFA]

Volumetric Estimation

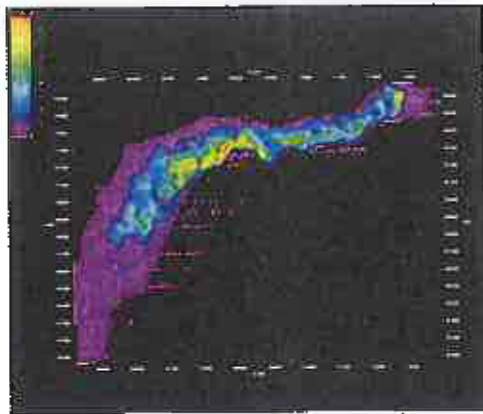
Prior to scale-up into the coarse model, a volumetric estimate was computed, based on an OWC of 3,494m TVDSS for the UM3 Sand. The table below shows the computed STOPIP for the Northern Channel / UM3 static model. The zones have a combined STOPIP of 1,509 MMBO.

Zone	Zone BRV (ac/ft)	NRV (ac/ft)	PV (ac/ft)	STOPIP 10 ⁶ BBL
Northern Channel	1,669,320	236,990	49,240	273
UM3	4,582,520	1,123,050	241,592	1,236

Scale-Up

Coarser grid geometry was constructed to provide input for Eclipse. The total number of active cells is 23,895. Lateral dimensions are 200m x 200m and there are ten layers in both the UM3 and Northern Channel zones. The scale-up procedures are similar to those outlined for the LM2 Sand model. Figure 48 shows the resultant net isopach maps for the Northern Channel and UM3 zones.

a.



b.

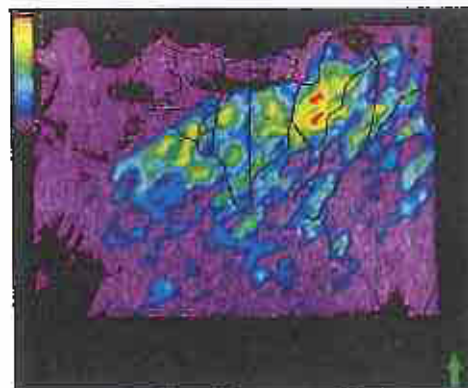


Figure 48: North Channel and UM3 Net Pay Isopach

2.6 Reservoir Engineering

2.6.1 Well Results

2.6.1.1 Mahogany 1

The Mahogany 1 was a vertical exploration well drilled in the West Cape Three Points Block approximately 57 kilometers south of the Ghanaian coastline using the *Belford Dolphin* Drillship at the following coordinates:

Latitude: 004° 32' 08.730" North
Longitude: 002° 54' 34.731" West
X: 510,022.7m East
Y: 501,348.7m North

UTM Zone 30, Northern Hemisphere, Datum WGS 1984, Ellipsoid WGS 1984

The *Belford Dolphin* was hired on contract on May 30, 2007. The well was drilled in 1,322m of water and reached a total depth of 3,826m MD (measured depth) or 3,802m TVDSS. Mahogany 1 encountered a gross hydrocarbon column of approximately 271m and 98m of net oil pay in Turonian sandstones within the Upper and Lower Mahogany Reservoir sequence. The well confirmed that high amplitude AVO-supported seismic events were hydrocarbon-bearing and proved up the existence of a new Cretaceous-aged deepwater play in the area. The well was suspended as an oil discovery after running production casing.

Mahogany 1 was spud May 31, 2007 by jetting the 36" conductor casing from the seabed at 1,346m to 1,420m MD. The 17 1/2" hole section was drilled without the marine riser from 1,420m to 2,226m MD using seawater and gel sweeps. MWD (measurements while drilling) and LWD (logging while drilling) tools were run to obtain surveys and LWD gamma ray and resistivity logs. However, no LWD logs were obtained due to software failure. Drilled cuttings were circulated to the seafloor in the absence of the marine riser. The 13 3/8" casing was run to 2,216m MD, prior to running the BOP (blow out preventer) and marine riser. The 12 1/4" hole section was drilled from 2,226m to 3,826m MD using a mineral oil-base mud system. Directional surveys and LWD gamma ray and resistivity logs were acquired throughout the 12 1/4" interval.

An intermediate wireline logging program was conducted at 3,683m MD after drilling through the reservoir interval. Two MDT (modular formation dynamics tester) runs were made and a total of fifty-one valid formation pressures and eighteen fluid samples were acquired.

Upon completion of the intermediate wireline program, drilling continued to the final well TD of 3,826m MD. Slow penetration rates were encountered below the

reservoir interval, with indications of increasing pore pressure occurring below 3,780m MD.

A final wireline program was carried out at total depth. The zero offset VSP (vertical seismic profile) survey utilized four shuttles containing three geophones at 10m intervals. Three sidewall core runs were attempted, due to operational issues. Twenty-six percussion sidewall cores were acquired with six empty, two lost, 111 misfires, and ten cores not attempted. Upon completion of wireline logging operations, the 9 5/8" production casing was run to 3,816m MD. The marine riser and BOP were recovered and operations concluded on June 29, 2007 after 30.3 days on location.

2.6.1.2 Hyedua 1

The Hyedua 1 appraisal well was drilled in the east-central portion of the Deepwater Tano Contract Area, approximately 60 km south of the Ghanaian coastline and 5 km southwest of the Mahogany 1 exploration well. The well was located at the following coordinates:

Latitude: 004° 30' 47.776" North
Longitude: 002° 57' 01.921" West
X: 505,487.41m East
Y: 498,862.59m North

UTM Zone 30, Northern Hemisphere, Datum WGS 1984, Ellipsoid WGS 1984

The *Belford Dolphin* was hired on contract on July 27, 2007 and the rig arrived at the Hyedua 1 location on July 30, 2007. The well was drilled in 1,521m of water and reached a total depth of 4,002m MD (3,978m TVDSS). Upon completion of wireline logging operations, the well was plugged back and twinned for the purpose of acquiring conventional cores in the Lower Mahogany reservoir. The Hyedua 1BP1 reached a total depth of 3,850m MD (3,826m TVDSS). Hyedua 1 encountered a gross reservoir interval of approximately 230m and 42m of net oil pay in Lower Mahogany sandstones and was suspended after running production casing.

Hyedua 1 was spud July 30, 2007 by jetting the 36" conductor casing from the seabed at 1,545m to 1,618m MD. The 17 1/2" hole section was drilled without the marine riser from 1,618m to 2,567m MD using seawater and gel sweeps. MWD and LWD tools were run to obtain surveys, and LWD gamma ray and resistivity logs. Drilled cuttings were circulated to the sea floor in the absence of the marine riser. The 13 3/8" casing was run to 2,558.5m MD prior to running the BOP and marine riser. The 12 1/4" hole section was drilled from 2,567m to 4,002m MD using a mineral oil-base mud system. Directional surveys and LWD gamma ray and resistivity logs were acquired throughout the 12 1/4" interval.

A wireline logging program was conducted upon reaching total depth. Wireline logs, pressure data, and samples confirmed the Upper Mahogany reservoir interval was water-bearing, and the Lower Mahogany reservoir interval was oil-bearing. An oil-water contact was encountered in the LM2 at 3,755m TVDSS. Forty-two valid formation pressures and twelve fluid samples were acquired during MDT operations. The initial attempt to acquire sidewall cores was aborted, due to equipment malfunction. Thirty-seven percussion sidewall cores acquired with seven empty, seven lost and nine misfires.

Upon completion of wireline logging operations, the well was plugged back to 3,265m MD in preparation for planned sidetracking operations to acquire bypass conventional cores. The Hyedua 1BP1 well was drilled in a 12 1/4" hole from 3,265m to 3,850m MD or 3,826m TVDSS with directional surveys, and LWD gamma ray and resistivity logs acquired throughout the interval. Three continuous conventional cores were acquired in the Lower Mahogany reservoir interval from 3,744m to 3,814m MD.

A wireline logging program was conducted in the Hyedua 1BP1 hole after reaching a total depth of 3,850m MD. In the MSCF run, thirty-three of thirty-five rotary sidewall cores were recovered. Upon completion of wireline logging operations, the 9 5/8" production casing was run to 3,843m MD. The marine riser and BOP were recovered and drilling operations concluded on September 13, 2007 after a total of 48.1 days of operations.

2.6.1.3 Mahogany 2

The Mahogany 2 well was a vertical appraisal well drilled in the West Cape Three Points Block approximately 50 km south of the Ghanaian coastline and 6.1 km northeast of the Mahogany 1 exploration well. The well was drilled in the west-central portion of the block at the following coordinates:

Latitude: 004° 33' 43.64" North
Longitude: 002° 51' 42.12" West
X: 515,340.81m East
Y: 504,263.49m North

UTM Zone 30, Northern Hemisphere, Datum WGS 1984, Ellipsoid WGS 1984

The *Songa Saturn* Drillship was hired on contract on March 6, 2008. The well was drilled in 1,080m of water and reached a total depth of 3,443m MD or 3,431m TVDSS. Mahogany 2 encountered a gross hydrocarbon column of approximately 144m and 52m of net oil pay in the Upper and Lower Mahogany Reservoirs. Five conventional cores were acquired from the Upper and Lower

Mahogany intervals. Drill stem tests were subsequently conducted in both the UM3 and LM2 intervals, prior to suspending the well.

Mahogany 2 was spud March 8, 2008 by jetting the 36" conductor casing from the seabed at 1,080m to 1,164m MD. The 26" hole section was drilled without the marine riser from 1,164m to 1,935m MD using seawater and gel sweeps. Directional surveys were acquired throughout the interval. Drilled cuttings were circulated to the sea floor in absence of the marine riser. The 20" casing was run to 1,929m MD prior to emplacement of the BOP and marine riser. The 17 1/2" hole section was drilled from 1,935m to 2,540m MD using a mineral oil-base mud system with directional surveys, and LWD gamma ray and resistivity logs acquired throughout the interval. The 13 3/8" casing was run to 2,534m MD. The 12 1/4" hole section was drilled from 2,540m to the well TD of 3,443m MD (3,431m TVDSS) using a mineral oil-base mud system. Directional surveys and LWD gamma ray and resistivity logs were acquired throughout the 12 1/4" interval.

A final wireline program was conducted at total depth. A total of forty-three valid formation pressures and fourteen fluid samples were acquired during MDT operations. The zero offset VSP survey utilized four shuttles containing three geophones at 15m intervals. Forty-two percussion sidewall cores were recovered with thirteen empty and five lost. Upon completion of wireline logging operations, the 9 5/8" production casing was run to 3,432m MD. Drilling operations were completed May 15, 2008 and drill stem testing operations completed on July 21, 2008.

2.6.2 MDT Results

Downhole pressure measurements were made in each reservoir in the Jubilee Field wells as part of the open-hole logging program. The Schlumberger Modular Formation Dynamics Tester (MDT) was used to obtain the pressure measurements and downhole reservoir fluid samples. The pressure data was analyzed to determine fluid type, locate oil-water contacts and ascertain the degree of static pressure communication between reservoir sands and offsetting wells. Like oil typing analyses, MDT pressure analysis can be used to infer communication under static conditions. The degree of communication between reservoirs, observed during dynamic production conditions, can be different from that of static conditions. The analysis of the pressure data was conducted using both conventional depth versus pressure and with an excess pressure plot, which uses a normalized oil density to indicate fluid similarities, see Figures 49 - 50. In addition to pressure data, downhole oil and water samples were recovered in each Jubilee Field well using the MDT tool. These fluid samples were both pressurized reservoir and non-pressurized stock tank samples. The pressurized oil samples and non-pressurized water samples were shipped to laboratories for detailed analysis.

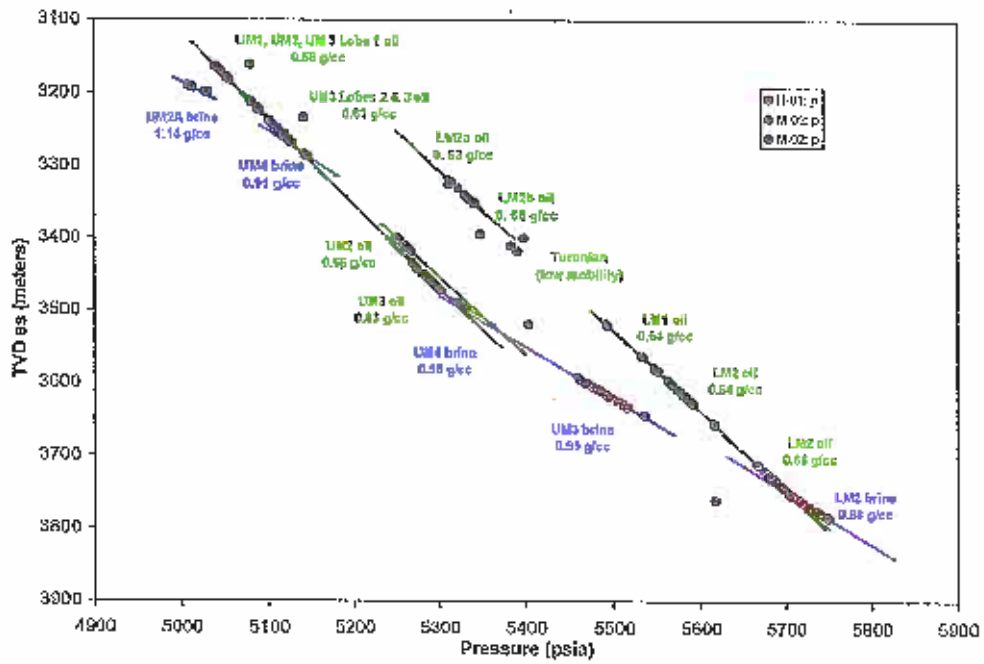


Figure 49: Conventional MDT Pressure Plot

[Handwritten signature]

[Handwritten initials: AMM, JJA]

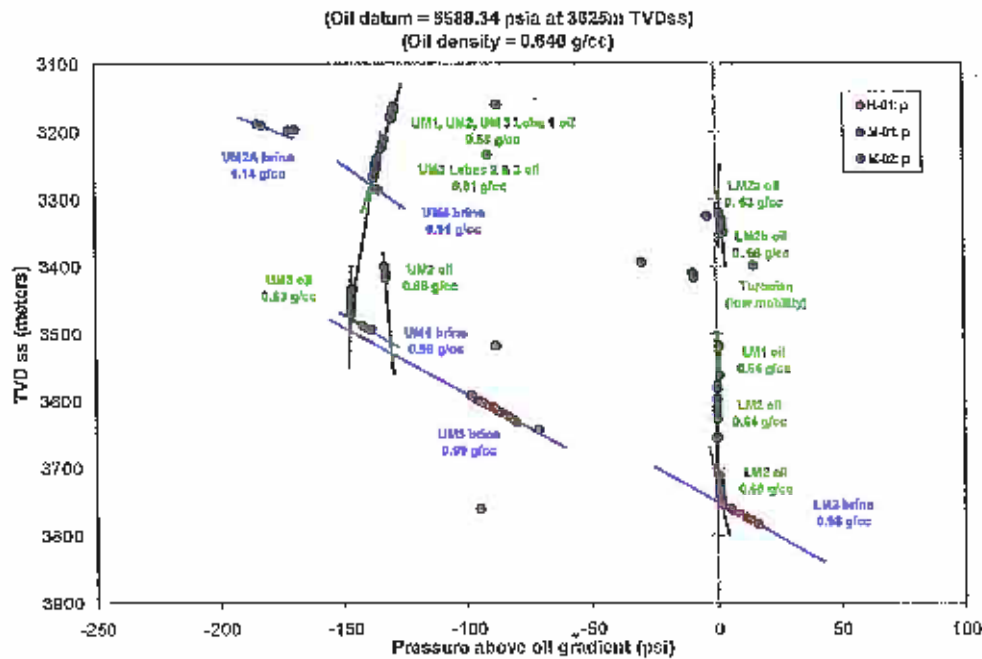


Figure 50: Excess Pressure Plot

The pressure data indicate that at least five separate oil accumulations: UM1 in Mahogany 1, UM2 in Mahogany 1; UM3 in Mahogany 1; UM1, UM2 and UM3 in Mahogany 2; and LM1 and LM2 in Mahogany 1, Mahogany 2 and Hyedua 1. In addition, three oil-water contacts have been inferred in the Jubilee Field. Two inferred oil-water contacts for the Upper Mahogany sands: 3,531m TVDSS for the UM2 Sand and 3,494m TVDSS for the UM3 Sand. These sands were encountered oil-bearing in the Mahogany 1 and water-bearing or not present in the Hyedua 1. Both the Upper Mahogany and Lower Mahogany reservoirs exhibit a compositional grading with depth, which is supported by PVT analyses. The Mahogany 2 well encountered two water-bearing sands: UM2A at 3,188m TVDSS and UM4 at 3,280m TVDSS. The UM2A and UM4 do not fit the regional water gradient and are believed to be perched or isolated sands. An oil-water contact has been inferred for the Lower Mahogany Sand at 3,755m TVDSS. This depth coincides with a shale section, between the oil-bearing and water-bearing lobes of the LM2 sand in the Hyedua 1 well, and is consistent with the intersection of MDT pressure gradients. No gas-oil contact has been found in any reservoir in the Jubilee Field.

2.6.3 Special Core Analyses

A special core analysis (SCAL) program has been initiated on the Hyedua 1 conventional cores and will be undertaken on the Mahogany 2 cores. The SCAL tests consist of:

Handwritten signature/initials

Handwritten initials: AM, JA, and a symbol resembling a dollar sign with a vertical line through it.

Brine elution for R_w measurement

Brine samples acquired through MDT are not available in sufficient quantity to reliably determine principal cation/anion composition and physical properties of in situ water. Brine resistivity is a critical parameter in wireline log evaluation and R_w must be known to develop an accurate formation water saturation equation. Brine composition must be understood to avoid fluid compatibility issues associated with production operations. Elution of salts from the core allows for quantification of brine properties stratigraphically and can aid in determining the variability of R_w throughout the cored interval.

Relative Permeability Measurement

Relative permeability data are required to establish relationships between fluid saturation and multi-phase flow in consideration of reservoir drive mechanisms. Engineering estimates of productivity and ultimate hydrocarbon recovery obtained from relative permeability tests are used as critical input to reservoir simulation. Of particular interest are imbibition water-displacing-oil and drainage gas-displacing-oil displacements. Percentages of mobile and non-mobile fluids are quantified by laboratory relative permeability measurements. Reservoir wettability is assessed using relative permeability data and absolute as well as effective permeability values are measured as part of the relative permeability test program.

Capillary pressure measurement

Capillary pressure measurements are necessary to evaluate reservoir and seal rock quality, initialize reservoir models, quantify fluid distribution, determine free water levels, differentiate pay from non-pay and approximate recovery efficiency. Capillary pressure data are critical in petrophysical and reservoir engineering evaluations. Forced displacement and spontaneous imbibition capillary pressure data are used to quantify reservoir rock wetting preferences. Multiple capillary measurement techniques will be applied to determine pore throat radii distribution (mercury injection), air-brine displacement (porous plate) in conjunction with electrical property determinations, and oil-brine displacement (centrifuge).

Electrical property determination

Water saturation is most often determined from resistivity logging and knowledge of electrical rock and fluid properties improve the accuracy of reserve estimation. Reserve estimates are highly dependent upon accurate water saturation determinations and laboratory electrical parameters are required to improve quantification of STOORP. Electrical properties are measured in the laboratory for input in the Archie water saturation equation, i.e., "a" tortuosity factor, "m" cementation exponent, and "n" saturation exponent. If required, shaly sand parameters can be measured, if mineral composition justifies a more complex approach to determining the water saturation, e.g., Waxman Smits or Dual Water. Air-brine (drainage) capillary pressure is measured simultaneously with the Resistivity Index.

2.6.4 Reservoir Fluid Analyses

The evaluation of the Jubilee Field wells has included an extensive reservoir fluid sampling program with the MDT tool and during the drill stem testing in Mahogany 2. The MDT samples are sealed downhole in the test tool, brought to surface, and typically transported to a laboratory such as GeoMark Research Ltd Lab in Houston or Oilphase-DBR Lab in Aberdeen for detailed analyses.

The pressure-volume, temperature (PVT) analysis program consists of two primary elements: sample validation and PVT experiments. The validation of the downhole samples included a compositional analysis to C30+, a constant composition expansion (CCE) for determination of bubble point, and a determination of oil base mud filtrate contamination for each MDT sample. The oil based mud contamination was then mathematically removed from the samples to produce an uncontaminated composition for analysis and evaluation of the reservoir fluids.

The PVT analysis consists of: CCE at reservoir temperature, differential liberation in multiple stages, compositional analysis of gases evolved from the differential liberation, and compositional analysis of oils evolved from the differential liberation. In addition, viscosity of the reservoir fluid, a multi-stage separator test over a range of conditions including stock tank conditions, compositional analysis of gases evolved from the separator test, and compositional analysis of oils evolved from the separator test were made.

The stock tank oil analysis is comprised of measurements of API gravity, asphaltene content, wax content, sulfur content, salt content, oil cloud point temperature, oil pour point temperature, total acid number, true boiling point and heavy metal content. Geochemical analyses or oil typing were conducted to determine similarities between oil samples between reservoirs and offsetting wells. Oil typing analysis gives indications of reservoir continuity. The two types of analyses utilized on the Jubilee Field fluid samples were: gas chromatography (GC) and gas chromatography - mass spectrometry (GC-MS).

The stock tank water analysis is conducted to determine the concentrations of cations and anions. These analyses identify potential compatibility issues with sea water injectant, the potential for scale deposition and degree of corrosivity.

2.6.4.1 PVT Summary

The fluid analyses of the Mahogany 1, Hyedua 1 and Mahogany 2 are summarized in Figure 51. The Jubilee Field reservoir fluids are characterized as undersaturated oils, occurring at normal pressure, exhibiting a compositional grading with depth. Based on single stage flash test, gas-oil ratios typically range from 930 - 1130 scf/stb. However, the UM3 sample from Mahogany 2 indicated a gas-oil ratio of 1,436 scf/stb. Typical oil gravities range from 33.9 - 37.7 degrees API. Oil viscosities are typically less than 0.3 cp at reservoir conditions

and formation volume factors are typically less than 1.6 rb / stb. The Upper and Lower Mahogany associated gas is high in natural gas liquid content, with a condensate-gas ratio of approximately 115 Bbl/MMscf and an average heating value of 1,390 BTU/scf.

Well	Depth	Reservoir	Sample	SS Flash		BHP Psia	Pbp Psia	DHT deg F	Uo cp	FVF rb/stb
				GOR	API					
M-1	3419m	UM2	1.09	1017	36.9	5356				1.59
M-1	3426m	UM2	1.02	1132	36.7	5252	3900	204	0.26	1.63
M-2	3271m	UM3	1.08	1436	37.7	5119	4750	203	0.21	1.77
M-2	3352m	LM2	1.03	964	37.1	5331	3200	210	0.26	1.57
M-1	3543m	LM2	1.15	932	33.0	5493		212		1.50
M-1	3640m	LM2	1.05	1123	36.5	5581	4790	238	0.25	1.60
H-1	3735m	LM2	1.11	1083	35.0	5685		218		1.63
H-1	3754m	LM2	1.02	1003	35.4	5607	3617	218		1.50

Figure 51: PVT Analysis Summary

A summary of asphaltene, wax and corrosive gas concentrations is shown in Figure 52 for the Upper and Lower Mahogany samples in Mahogany 1, Hyedua 1 and Mahogany 2. The reservoir fluids can be characterized as sweet, low in asphaltene and wax content in eight of the nine samples shown. Asphaltene stability tests indicated oils were stable to a heptane dilution ratio greater than 3.0 ml nC7 / g Oil in six of the seven samples. One sample from Hyedua 1 in the LM2 Sand was an exception. The sample had a high asphaltene content, high oil base mud contamination and poor asphaltene stability. The sample depth is associated with an asphaltene layer, identified in the Hyedua 1 core, located near the OWC at 3,755m TVDSS. Asphaltene flocculation testing is planned for the UM3 and LM2 oil samples taken during the Mahogany 2 drill stem test. The additional testing will provide information on asphaltene flocculation tendencies at different reservoir pressures and temperatures, which will model dynamic production conditions.

Well	Depth	Reservoir	Sample	Weight Percent, %						Asphaltene Stability	
				Reservoir Fluid				Flash Gas			
				GBM	Asphaltene	Wax	H ₂ S	CO ₂	Sulfur		
M-1	3419m	UM2	1.09	9.00	0.22						Stable
M-1	3426m	UM2	1.02	1.90	0.30	6.80	0.00	1.80	0.34		
M-2	3271m	UM3	1.08	2.80	0.10	3.10	0.00	2.28	0.31		Stable
M-2	3352m	UM2	1.03	10.00	0.10	3.00	0.00	2.42	0.16		Stable
M-1	3543m	LM2	1.15	3.60	0.50						Stable
M-1	3640m	LM2	1.05	9.50	0.30	12.00	0.00	2.20	0.23		
H-1	3735m	LM2	1.1	5.50	3.10						Stable
H-1	3754m	LM2	1.02	7.60	4.70	4.90	0.00	2.15			Stable
H-1	3778m	LM2	1.13	33.30	12.70						Poor Stability

Figure 52: SARA Analysis Summary

2.6.4.2 Oil Typing

GC-MS analyses were conducted on twenty-four oil samples from the Jubilee Field wells. The analysis technique was developed by Shell Oil Company to assess continuity between reservoirs and allocate production from commingled reservoirs. This method is superior to other techniques, since it is not affected by oil base mud contamination. The technique evaluates twelve ratios of alkyl benzene and plots the values to assess similarities. A variation in area ratio of less than 0.1 is not considered significant. Similar area ratio profiles indicate that oil samples were sourced from the same charge event. Like MDT data, oil typing analyses can be used to infer communication under static conditions. The degree of communication between reservoirs, observed during dynamic production conditions, can be different from that of static conditions. Figure 53 shows the alkyl benzene ratio profiles for sixteen Jubilee Field Upper and Lower Mahogany oil samples. Figure 54 shows the alkyl benzene ratios for the eight Upper Mahogany oil samples. The analysis shows three distinct oils in the Upper Mahogany: UM1 and UM2 in Mahogany 1; UM3 in Mahogany 1; and UM2 and UM3 in Mahogany 2. Although this analysis generally supports the conclusions from the MDT pressure analysis, the UM1 sample from Mahogany 2 has not been analyzed at this time. Figure 55 shows the alkyl benzene ratios for sixteen Lower Mahogany oil samples. The analysis indicates one distinct oil for all Lower Mahogany samples; however, the LM1 sample from Mahogany 1, does exhibit slight differences from the other samples.

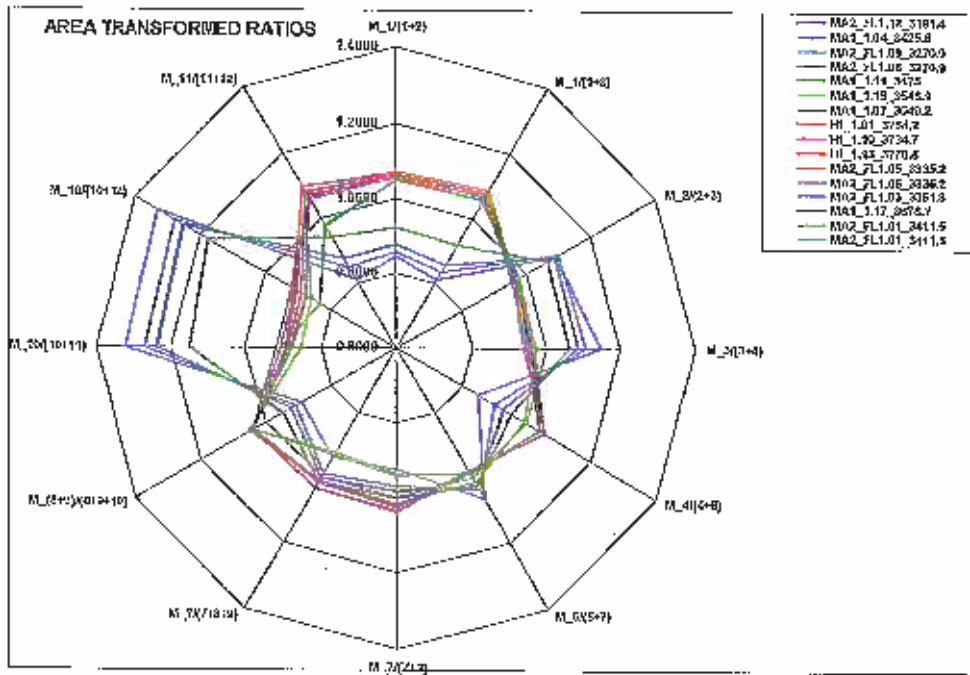


Figure 53: Alkyl Benzene Ratios – Various Samples

[Handwritten signature]

AMM &
 JJA

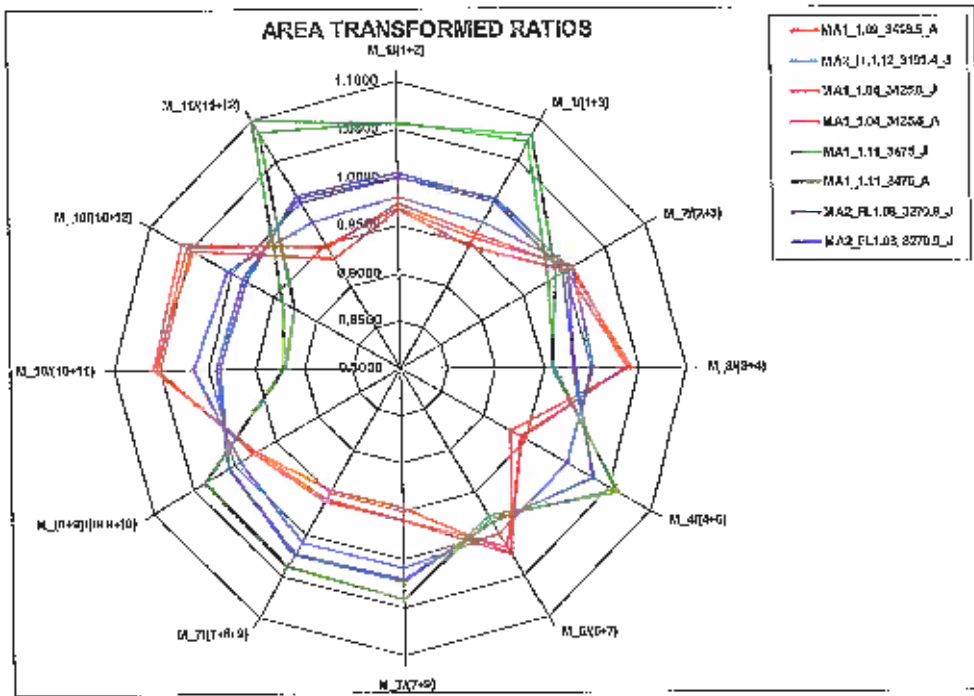


Figure 54: Alkyl Benzene Ratios -- Upper Mahogany Samples

Handwritten signature

Handwritten initials: AM, F, JGA

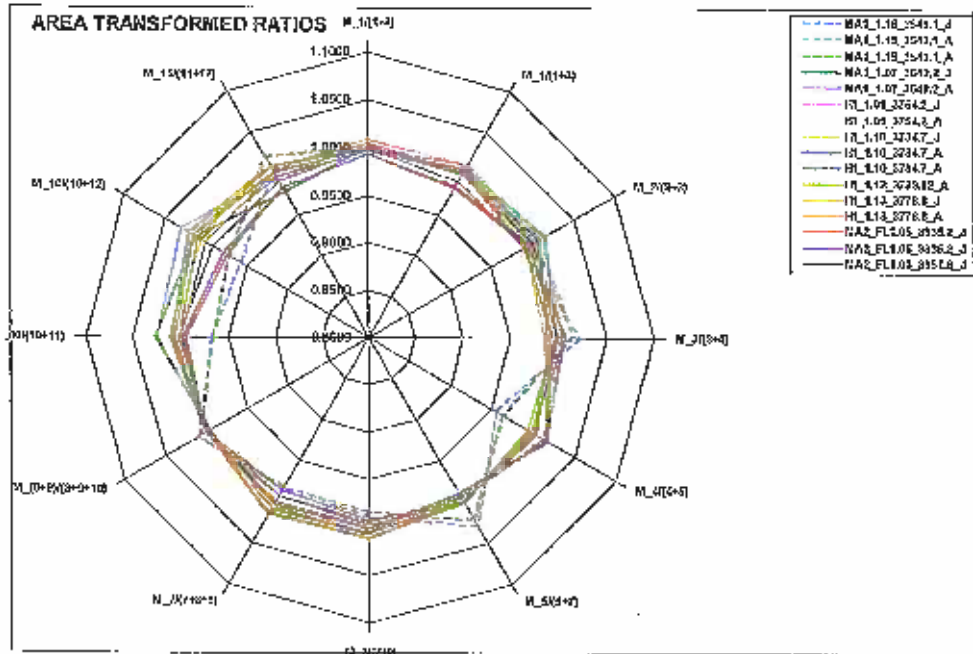


Figure 55: Alkyl Benzene Ratios – Lower Mahogany Samples

2.6.4.3 Water Analyses

Three stock tank water analyses have been performed on samples from Hyedua 1 in the UM3 Sand, Mahogany 1 in the UM4 Sand and Hyedua 1 in the LM2 Sand, see Figure 56. The samples are relatively fresh, with chloride concentrations less than 9,000 mg/l and low in concentrations barium and calcium anions, which will lead to the formation of barium sulfate and carbonate scales during water injection. Therefore, a sulfate removal plant was included in the water injection facility.

Well	Depth	Reservoir	Sample	Cation Concentration, mg/l						Anion Concentration, mg/l				TDS mg/l	SG	pH
				Na	Ca	Mg	Fe	Ba	K	Cl	HCO ₃	SO ₄	CO ₃			
M-1	3518m	UM4	1.18	5126	254	2	0	18	36	7530	1500	0	0	14465	1.02	7.90
H-1	3628m	UM3	1.08	3150	105	7	2	10	24	3840	2280	27	0	9430	1.01	7.92
H-1	3753m	LM2	1.07	6240	63	8	1	25	52	8840	1220	34	0	16170	1.01	7.56

Figure 56: Water Analysis Summary

AM 4
JHA

[Handwritten signature]

2.6.5 Drill Stem Test Results

Two drill stem tests were performed in Mahogany 2 in the UM3 and LM2 Sands to verify commercial production rates, tune nodal and simulation models, provide sufficient quantity and quality of oil samples for analyses and assess reservoir continuity. A significant amount of UM3 and LM2 reservoir and surface oil samples were obtained to allow for crude oil assay, additional PVT analyses and SCAI analyses. The drill stem test of the UM3 Sand indicated a total drawdown (less skin) of 114 psi at an average production rate of 4,397 BOPD, or a productivity index of 39 BOPD/psi. This confirmed production rate potential in excess of 20,000 BOPD at total drawdown of less than 700 psi, as demonstrated by Nodal analysis, see Figure 57. Both tests provided valuable information regarding reservoir continuity.

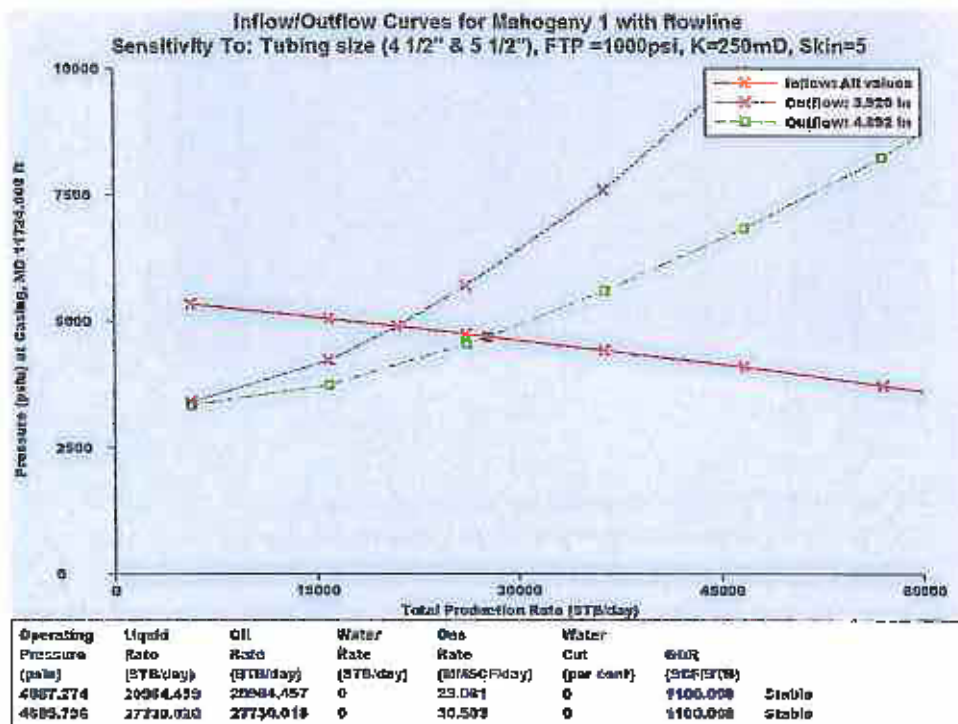


Figure 57: Nodal Analysis Summary

In June 2008, a drill stem test was performed in Mahogany 2 on the LM2 Sand from 3,331m – 3,364m, see Figure 58.

[Handwritten signature]

[Handwritten initials]

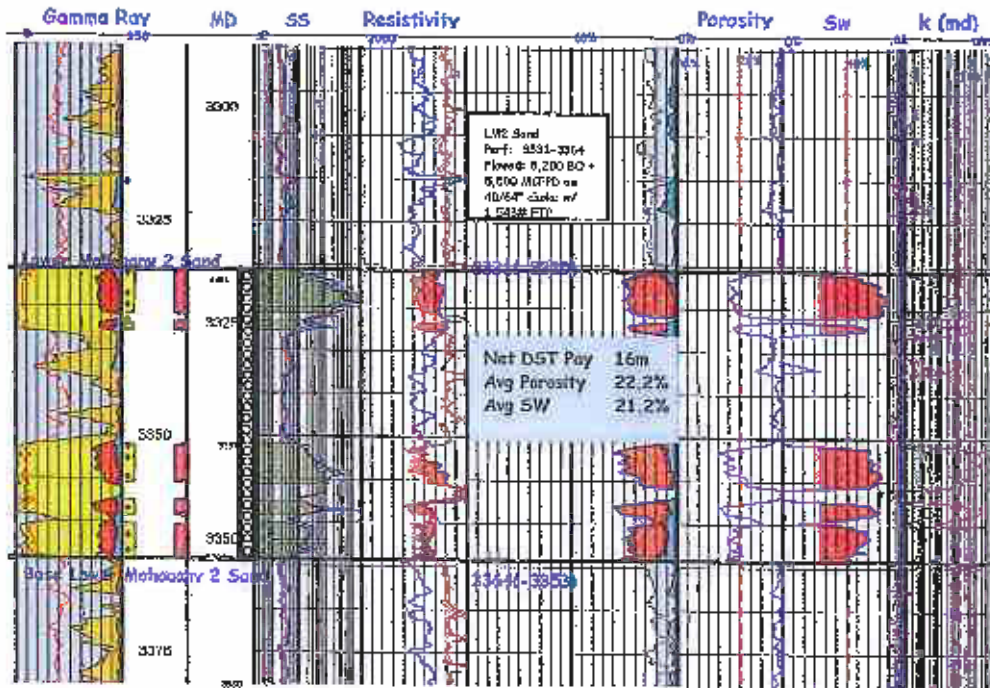


Figure 58: Mahogany 2 - LM2 Sand

A frac-pack completion was used to minimize the potential for sand production and enhance productivity. The test procedure noted an initial fourteen hour flow period, followed by a twenty-four hour build-up. The second test period consisted of a twenty-six hour flow period and sixty-two hour build-up. During the second flow period the production rate reached 5200 BOPD at an average gas/oil ratio of 750 SCF/STB with a flowing tubing pressure of 1540 psi, see Figure 59.

[Handwritten signature]

[Handwritten initials]

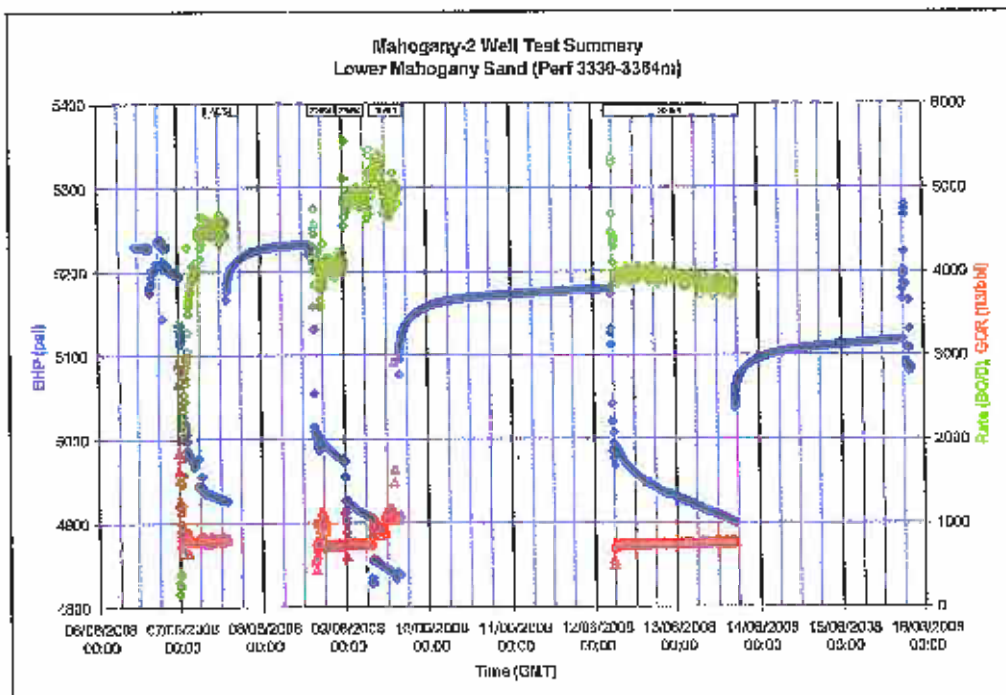


Figure 59: DST #1 Summary – LM2 Sand

A third test period was added, due to apparent pressure depletion observed between the first two build-up periods. The third test consisted of a thirty-six hour flow period and a forty-eight hour build-up. Two interpretations of the drill stem test were made:

Interpretation #1

The Mahogany 2 was in good communication with a reservoir volume of 10 MMBO and poorly communicated with a larger reservoir volume. In addition, the permeability from the final build-up was interpreted to be 412 mD, with a completion skin of 4.3.

Interpretation #2

The Mahogany 2 was in a closed geometry in the LM2 with a reservoir volume of 6 MMBO. In addition, permeability was interpreted to be 230 mD, with a completion skin of 5.

[Handwritten signature]

[Handwritten initials]

In July 2008, a second drill stem test was performed in Mahogany 2 on the UM3 Sand from 3249m - 3262m and 3270m - 3282m, see Figure 60.

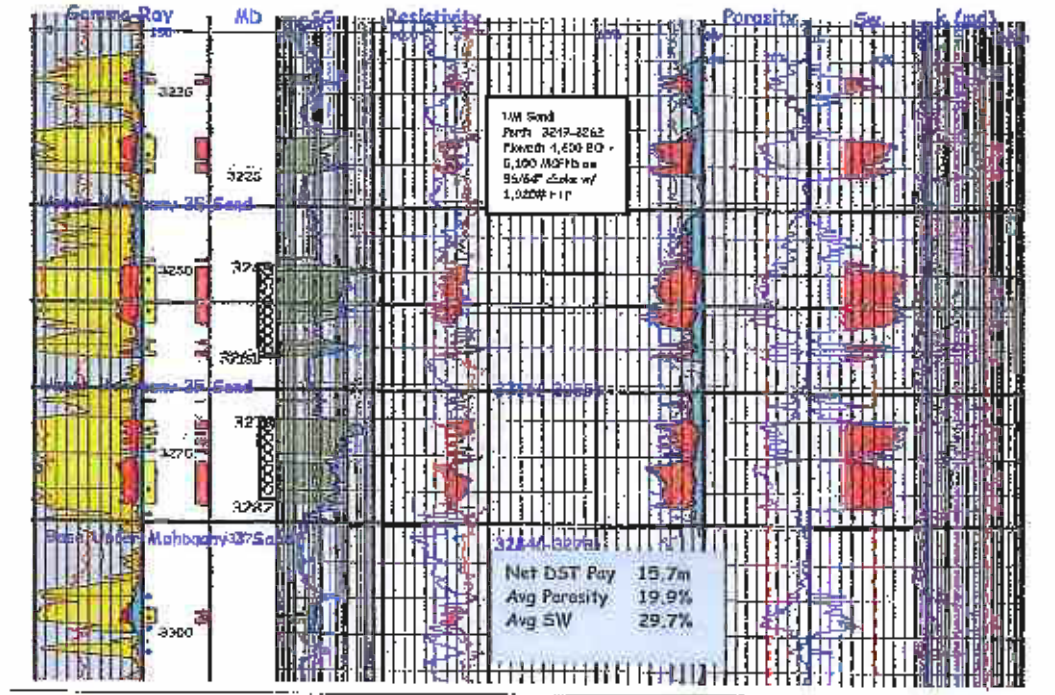


Figure 60: Mahogany 2 – UM3 Sand

No gravel pack was used for this test, due to completion equipment availability. The test procedure noted an initial twelve hour flow period, followed by a twenty-four hour build-up period. The second test period consisted of a forty-eight hour flow period and a forty-eight hour build-up. During the main flow period the production rate average 4400 BOPD at an average gas/oil ratio of 1150 SCF/STB, with a flowing tubing pressure of 1920 psi, see Figure 61.

Handwritten signature

Handwritten initials/signature

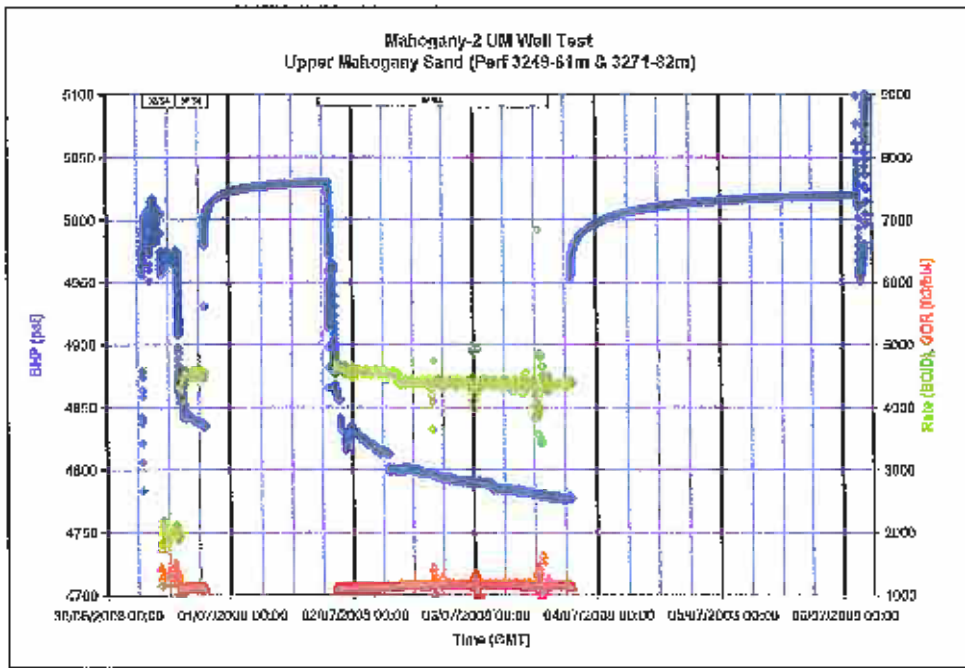


Figure 61: DST #2 Summary - UM3 Sand

Two interpretations of the drill stem test were made:

Interpretation #1

No closing (fourth) boundary was observed during the test. The Mahogany 2 was in a reservoir with a minimum reservoir volume of 59 MMBO in the UM3. In addition, permeability was interpreted to be 686 mD, with a completion skin of 17.

Interpretation #2

A closing (fourth) boundary was observed during the test. The Mahogany 2 was in a closed system with a reservoir volume of 33 MMBO. In addition, the permeability from the final build-up was interpreted to be 636 mD, with a completion skin of 15.

2.6.6 Reservoir Simulation

Reservoir simulation was used to forecast Most Likely oil, gas, and water production rates for the Phase 1 development. The assumptions and input data used to construct the reservoir simulation models are described below. Figures 62 - 63 depict the Most Likely Phase 1 Area, Most Likely Area and Potential Field Area for the UM3 and JM2, respectively.

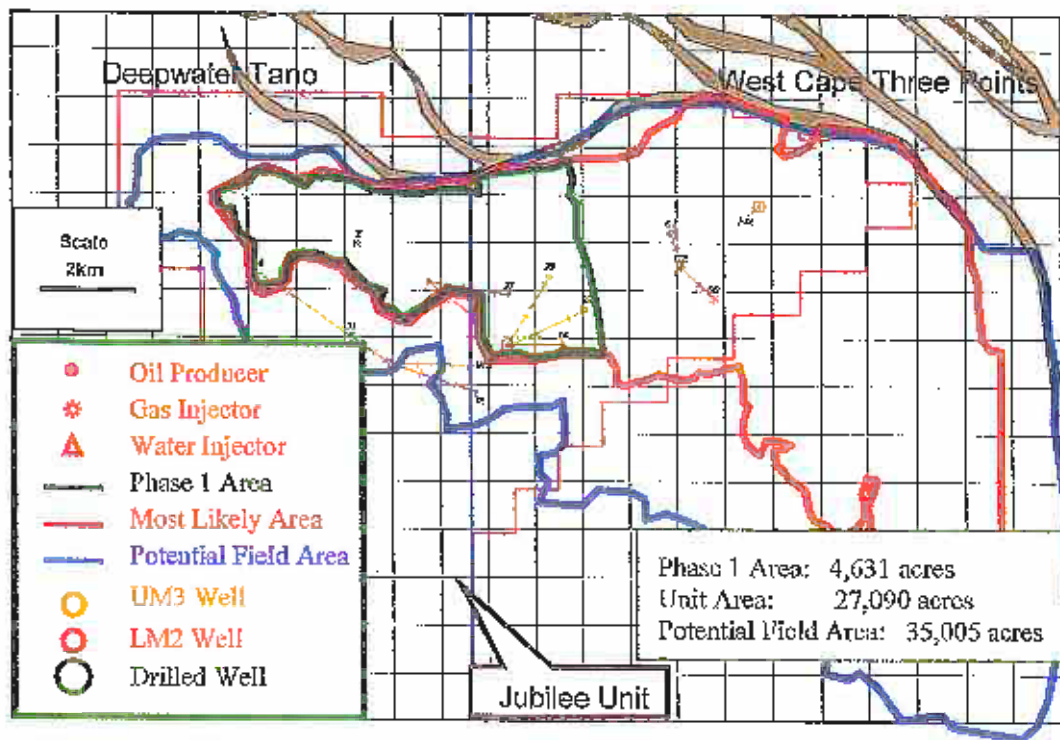


Figure 62: UM3 Model Basis

2.6.6.1 Model Type

Discrete BCLIPSE reservoir simulation models were constructed for the UM3 and LM2 reservoirs. Gas produced from the UM3 model was imported into the LM2 model to properly account for the total gas injection stream. The modified black oil formulation was used to model condensate vaporized in the gas phase as well as solution gas dissolved in the oil phase.

2.6.6.2 Gridding

The fine scale geomodel and up-scaled simulation grids were defined using corner point geometry. The UM3 and LM2 geomodels were up-scaled from 100 m x 100 m x 1 m cells in the fine scale geomodels into simulation grids with 200 m x 200 m cells. The average up-scaled cell thickness was 8m for the UM3 and 5m for the LM2.

The up-scaled UM3 model had areal grid dimensions of 120 x 84 cells and 22 layers. The active to total cell count ratio was 23,895 / 221,760, or 11% active cells. The up-scaled LM2 model had areal grid dimensions of 193 by 144 cells

Handwritten signature

Handwritten initials: AM & JJA

and 10 layers. The active to total cell count ratio was 37,564 / 277,920, or 14% active cells.

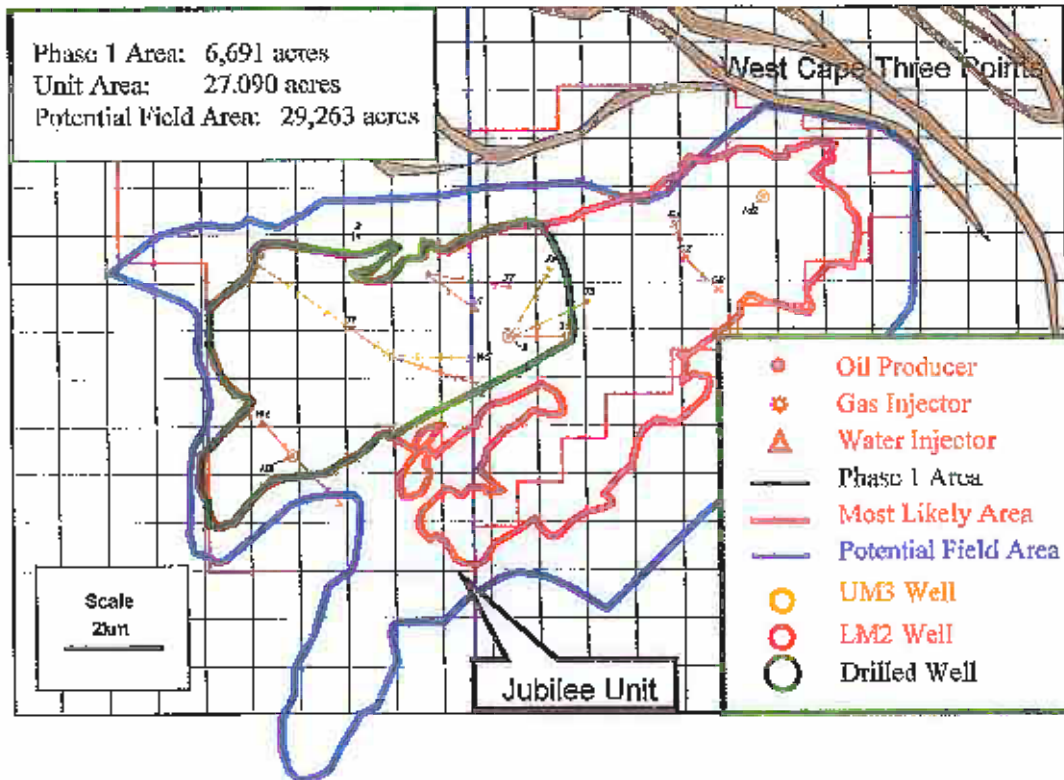


Figure 63: LM2 Model Basis

2.6.6.3 Reservoir Properties

Horizontal permeability values in the fine scale geomodel were generated from the fine scale porosity property using a porosity-permeability transform. Fine scale values for initial water saturations were generated in similar fashion using a porosity-water saturation transform, see Figures 40 - 41.

Reservoir properties from the fine scale geomodel were up-scaled to the simulation grid using Petrel's advanced upscaling techniques. In the fine scale geomodel, pay cells (100% sand) were assigned a net to gross value of one while non-pay cells (100% shale) were assigned a value of zero. This property was up-scaled to the simulation grid using a bulk volume weighted arithmetic average.

Porosity was up-scaled using a net to gross and bulk volume weighted arithmetic average. Initial water saturation was up-scaled using a porosity, net to gross, and

Handwritten signature

Handwritten initials: AM, P, JA

bulk volume weighted arithmetic average. Permeability was up-scaled using Petrel's flow based diagonal tensor up-scaling option assuming closed boundary conditions around the up-scaled cell. This approach ensures that the impact of shale in the fine scale models is properly accounted for in the up-scaling process. Using this approach, a zero permeability value was assigned in the appropriate direction to up-scaled cells containing fine scale shales with lateral or vertical extents equal to or greater than the upscaled cell dimensions. The net to gross, porosity and permeability volumes for the LM3 and LM2 reservoirs are shown in Figures 64 - 69.

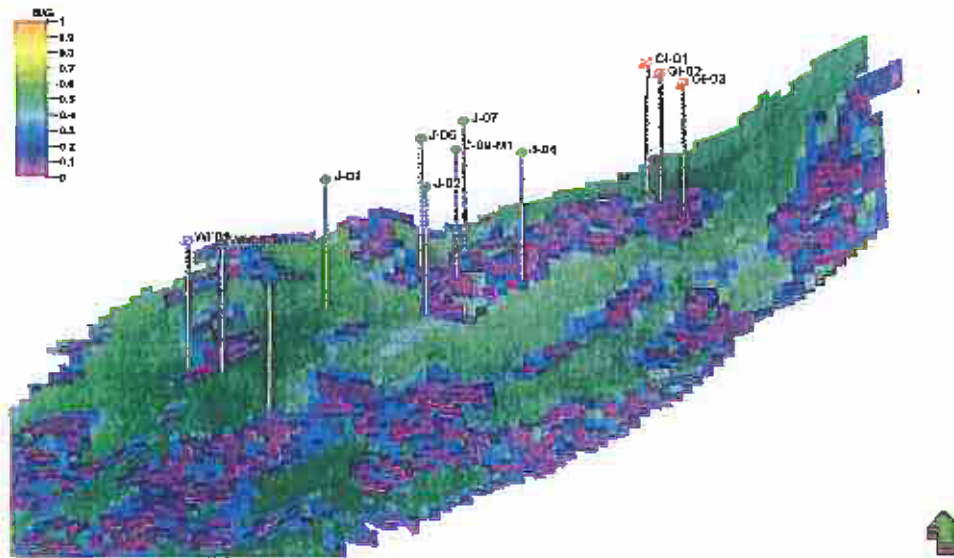


Figure 64: LM2 Upscaled Net to Gross Volume

[Handwritten signature]

[Handwritten initials]

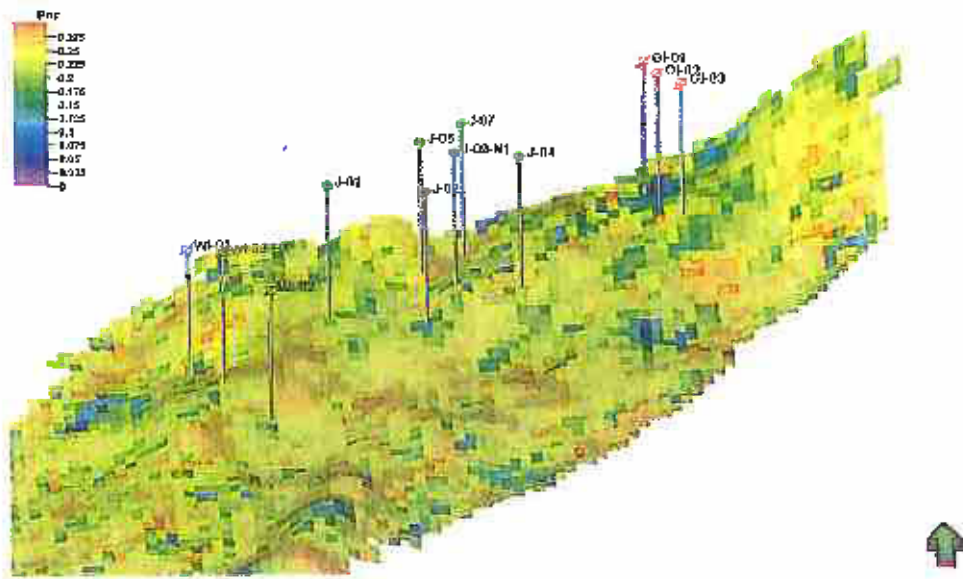


Figure 65: LM2 Upscaled Porosity Volume

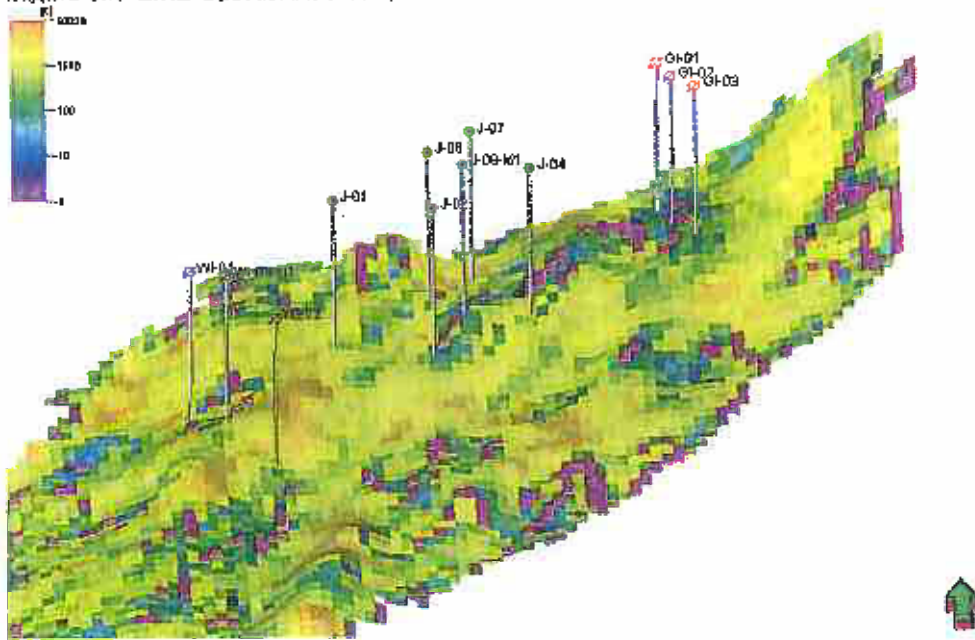


Figure 66: LM2 Upscaled Permeability Volume

[Handwritten signature]

AM \$
 JTA

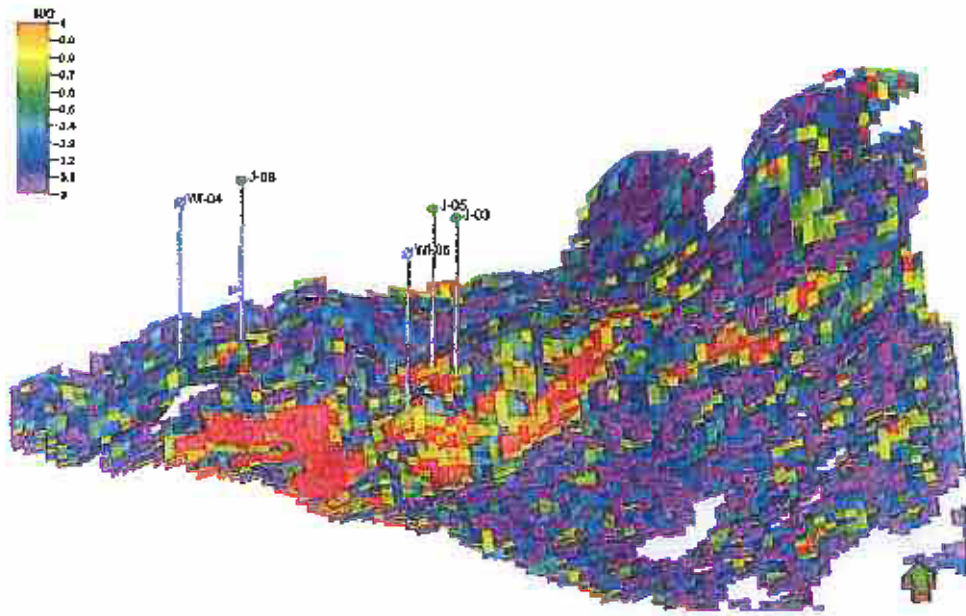


Figure 67: UMB Upscaled Net to Gross Volume

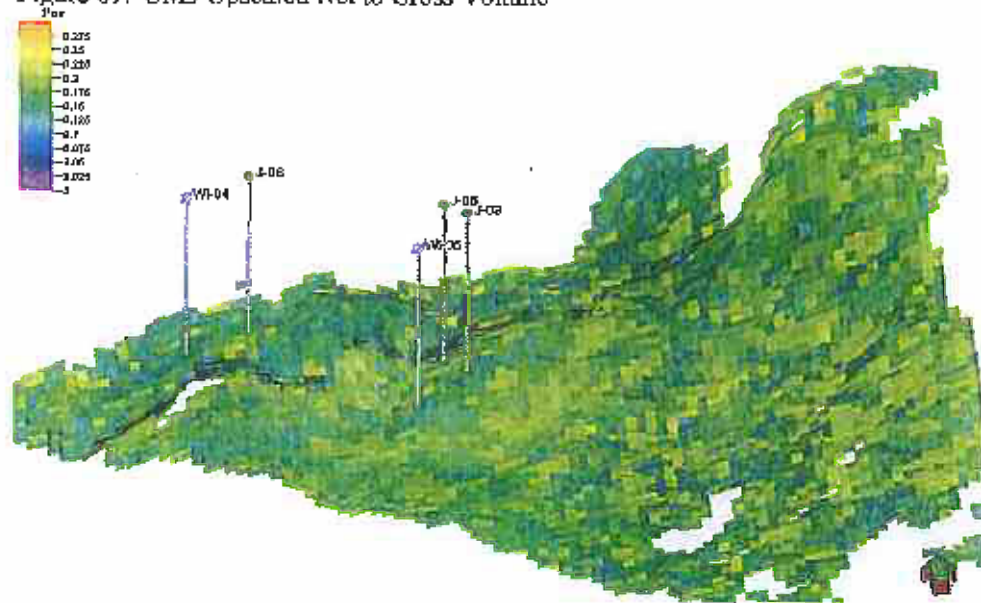


Figure 68: UMB Upscaled Porosity Volume

[Handwritten signature]

[Handwritten initials]

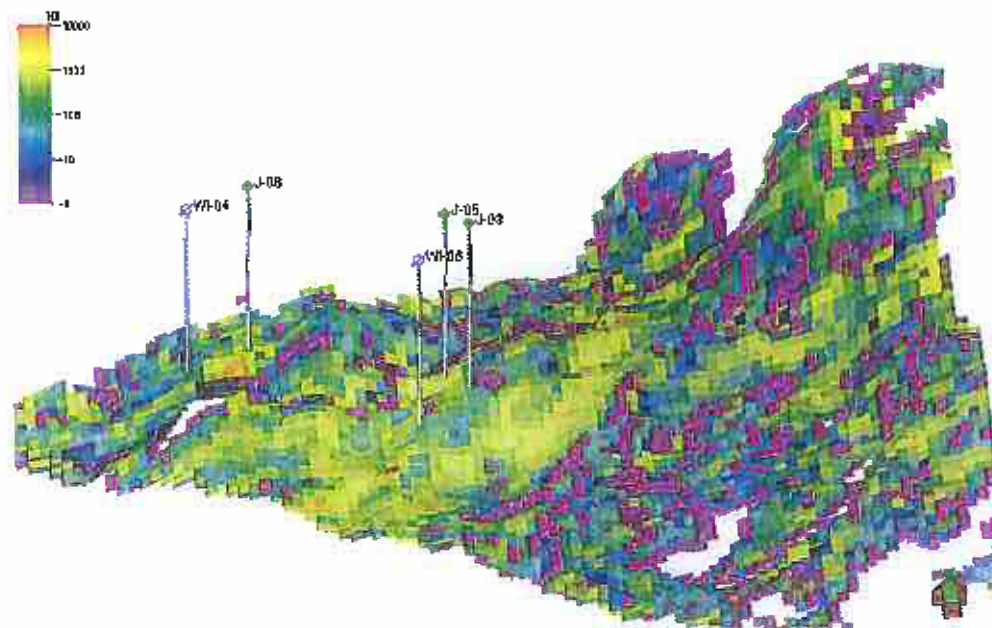


Figure 69: UM3 Upscaled Permeability Volume

2.6.6.4 Fluid Contacts

Oil-water contacts of 3,494m TVDSS and 3,755m TVDSS were assumed for the UM3 and LM2 models, respectively, derived from the MDT analyses. No gas-oil contacts have been encountered in the Jubilee Field. Gas-oil contacts of 2,869m TVDSS and 3,190m TVDSS were assumed for the UM3 and LM2 models, respectively. These assumed contacts represent the mid-point between the highest known oil and structural closure, see Figures 70 - 71.

Handwritten signature

Handwritten initials/signature

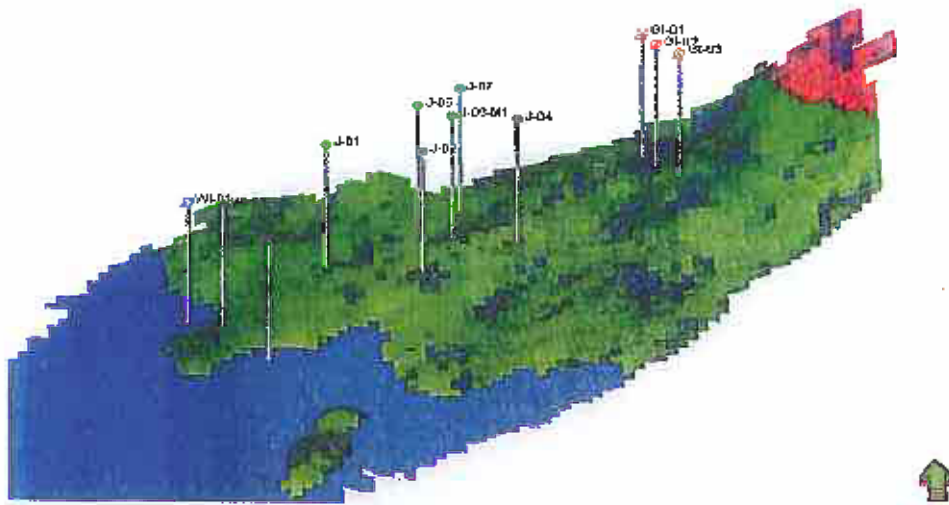


Figure 70: LM2 Upscaled Saturations & Fluid Contacts

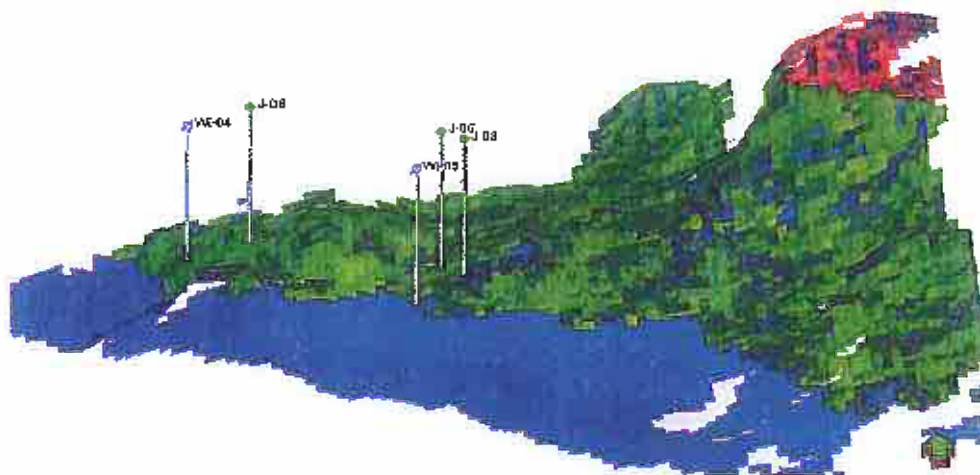


Figure 71: UM3 Upscaled Saturations & Fluid Contacts

2.6.6.5 Lateral Flow Barriers

The potential for additional lateral barriers to flow were incorporated in the UM3 and LM2 models as variable transmissibility faults aligned with lineaments inferred from seismic data, see Figures 38 and 46. In addition, the UM3 model

[Handwritten signature]

[Handwritten initials: AM & JBT]

included a transmissibility modifier between the northern channel complex and the main UM3 reservoir.

2.6.6.6 PVT Data

The modified black oil PVT tables used in the reservoir simulation were generated from fluid characterizations of the Upper and Lower Mahogany, developed by Tullow Oil. These tables include oil formation volume factor, gas in solution, vaporized oil, and fluid viscosities varied with average reservoir pressure, see Figure 72. The initial gas in solution was specified as a function of depth.

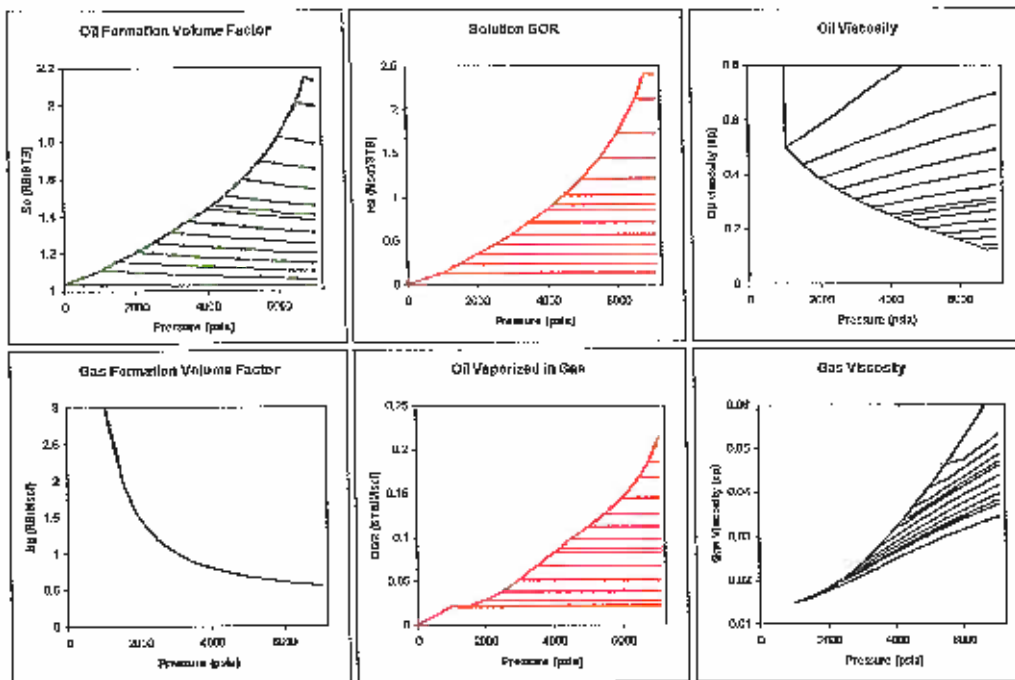


Figure 72: Lower Mahogany PVT Data

2.6.6.7 Relative Permeability Data

Oil-water and gas-oil relative permeability data were generated from Corey equations using exponents and $k_{rw}/S_{m,w}$ and k_{rg}/S_{org} endpoint relationships supplied by Anadarko Petroleum, based on three turbidite analog fields in the Gulf of Mexico, see Figure 73.

[Handwritten signature]

[Handwritten initials]

The oil-water Corey exponents were $n_{ow} = 2.5$ and $n_{wo} = 2.75$. End point k_{rw} values ranged from $k_{rw} = 0.35$ with an S_{orw} of 0.2 to $k_{rw} = 0.1$ with an S_{orw} of 0.35. A gas-oil Corey exponent of $n_{og} = 4$ was used for the oil curve. Straight line gas curves were used to ensure gas movement was not artificially restricted by the up-scaled simulation grid. End point k_{rg} values ranged from $k_{rg} = 0.5$ with an S_{org} of 0.25 to $k_{rg} = 0.6$ with an S_{org} of 0.15.

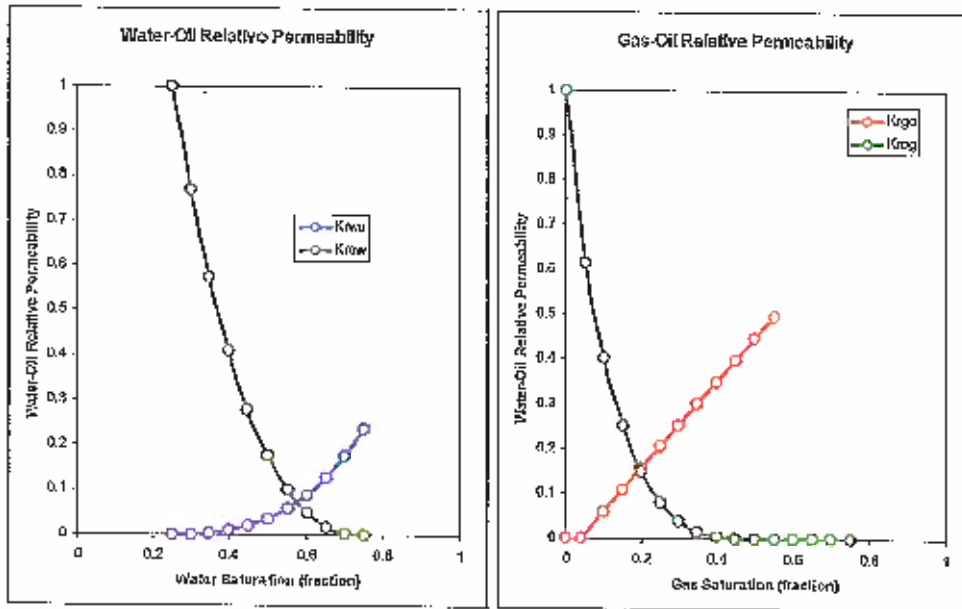


Figure 73: Relative Permeability Data

Endpoint scaling was used to adjust the relative permeability curves to the initial water saturation, S_{orw} , and S_{org} specified for each cell.

2.6.6.8 Well and Facility Constraints

Production forecasts assumed Phase 1 wells produced to an FPSO with the following maximum constraints: 120,000 BOPD, 160,000 MCFD, 160,000 BLPD, 160,000 MCFD total gas injection and 232,000 BHPD total water injection rate.

Vertical flow production tables were generated for production wells as a function of total liquid rate, producing GOR, watercut, and flowing wellhead pressure. Vertical flow injection tables were generated for water and gas injection wells as a function of injection rate and injecting wellhead pressure. All vertical flow tables were generated from the top of perforations to the wellhead. Production

AMM &
JEA

well rates were controlled with a minimum flowing wellhead pressure of 2100 psia, constrained with a maximum drawdown across the perforations of 1000 psi, and a minimum flowing bottomhole pressure of 4200 psia.

2.6.6.9 Pressure Maintenance Strategy

The pressure maintenance strategy was based on maintaining average reservoir pressure above the bubblepoint to minimize the production of solution gas. Since it will not be possible to confirm aquifer strength prior to field startup, it was assumed that injection would be required for pressure maintenance. Because the degree of pressure support from the Jubilee aquifer cannot be quantified prior to production startup, Phase 1 development assumes downdip water injection wells will be required to ensure full voidage replacement. The latter point is key given that the reservoir oil is close to saturation point and poor pressure support would result in gas break-out and potentially reduced recovery if not reversed. The ability to replace voidage is therefore a key mitigation in the field development plan to compartmentalization and related baffling affecting pressure support. After field startup, reservoir pressure response to production and injection will be used to assess relative aquifer strength. Wells are equipped with downhole pressure gauges for continuous monitoring. Pressure transient analyses of water injection well pressure falloffs using numerical models may be used to identify any constant pressure boundaries also associated with aquifer support. Aquifer strength can also be determined from the aquifer size and permeability required to history match the reservoir simulation model to the Phase 1 production, injection, and pressure histories. If sufficient aquifer support is confirmed during Phase 1, the need for additional water injection wells required in a future expansion phase may be significantly reduced or eliminated.

The goal is 100% voidage replacement, provided it can be justified. Voidage replacement consists of replacing each reservoir barrel produced with an injected barrel of water or gas. The FPSO and subsea system have been designed with the capacity to provide 100% voidage replacement with water and gas.

To achieve the pressure maintenance strategy, injection will be initiated at the start of oil production to avoid reduction in reservoir pressure with production. Reservoir simulation has demonstrated improved ultimate oil recovery through reservoir pressure maintenance. The simulation assumed 50% of the available gas (produced gas less fuel requirements), was available for gas sales. The remaining 50% of the available gas was injected into the Lower Mahogany reservoir. Water injection was used to replace the remaining voidage and maintain reservoir pressure. A comparison of ultimate oil recovery was made for four scenarios:

- Depletion drive - no water or gas injection, 0% voidage replacement
- Water injection only - 100% voidage replacement with water
- Updip gas injection consisting of 50% of available gas / downdip water injection - 100% voidage replacement

- Updip gas injection consisting of 100% of available gas / downdip water injection – 100% voidage replacement

These sensitivities were run to illustrate the benefits from pressure maintenance and updip gas injection. Figure 74 indicates that the Most Likely Phase 1 ultimate recovery in a depletion drive case is 152 MMBO (8.3% recovery factor). The ultimate recovery increases to 268 MMBO (14.8% recovery factor) in the water injection only case. The next highest ultimate recovery, 278 MMBO (15.3% recovery factor), is based on updip gas injection, consisting of 50% of available gas and downdip water injection. The highest ultimate recovery, 303 MMBO (16.7% recovery factor), is based on updip gas injection, consisting of 100% of available gas and downdip water injection. The low recovery factors reflect ultimate recovery from Phase 1 relative to the STOOIP from the entire structure, illustrating the future upside potential in the Jubilee Field. The simulation indicates an incremental oil recovery benefit from updip gas injection in conjunction with downdip water injection. Due to reservoir uncertainties, the actual incremental oil recovery benefit will not be known until we have production and injection history. The increased oil recovery from updip gas injection, results primarily from a more balanced sweep achieved by the combination of updip gas and downdip water injection. Downdip water injection alone requires higher water injection rates to replace voidage, accelerating water breakthrough in downdip wells. Gas injection also increases oil recovery because the residual oil saturation to gas is lower than the residual oil saturation to water. As a result, updip gas injection in combination with downdip water injection was adopted as the recommended pressure maintenance strategy for the Phase 1 development. In the event a suitable location for LM2 gas injection cannot be identified, the 100% voidage replacement goal will be accomplished with downdip water injection, provided it can be justified. Blowdown of any remaining free gas volume will be evaluated on an ongoing basis to optimize fuel supply, potential further sales and the most cost effective means of exploitation.

North Sea Gas Injection Jubilee Analogs

The Statfjord formation of the Brent and Statfjord fields in the East Shetland Basin of the North Sea are examples of reservoirs where deliberate up-dip gas injection substantially improved oil recovery relative to water injection alone, over extended periods of time of up to 20 years. The reservoirs have water-oil mobility ratios similar to Jubilee reservoirs (oil viscosity on the order of 0.3 cP). Neither field had a primary gas cap. Both reservoirs were produced under combined waterflood and gas injection until later gas production blowdown and achieved exceptional recovery factors relative to other waterflood only fields in the area (55 to 65% recovery factors under gas and water injection versus 40 to 50% with water injection alone). In the Brent field, gas injection resulted in a 14% residual oil saturation versus a 28% residual oil saturation to water. The low residual oil saturation to gas is due to the high pore level displacement efficiency

achieved with a gravity assisted gas injection oil drainage process versus the imbibition process of water displacing oil. Under gas-injection, oil drains continuously in a thin film displaced by the non-wetting gas phase to a low residual saturation. During water injection, discontinuous oil droplets are trapped in the large pore spaces during imbibition of the wetting water phase. In the Statfjord field, even lower residual oil saturations of 5% were observed in the gas swept region due to first contact miscibility of the injected gas with the reservoir oil (zero gas-oil interfacial tensions). Initial Jubilee PVT data indicating low gas-oil interfacial tensions suggest similar very low residual oil to gas saturations should be expected. At Statfjord, even though gas breakthrough occurred after 3.5 years in some areas where there was an unfavourable permeability profile, 40% of the reserves were still produced after gas breakthrough in this 8 degree dipping reservoir. At Statfjord the interwell distance between crestal injectors and down dip producers was on the order of 800 m whilst we plan >1 km at Jubilee. (References: SPE 27766 and SPE 15876).

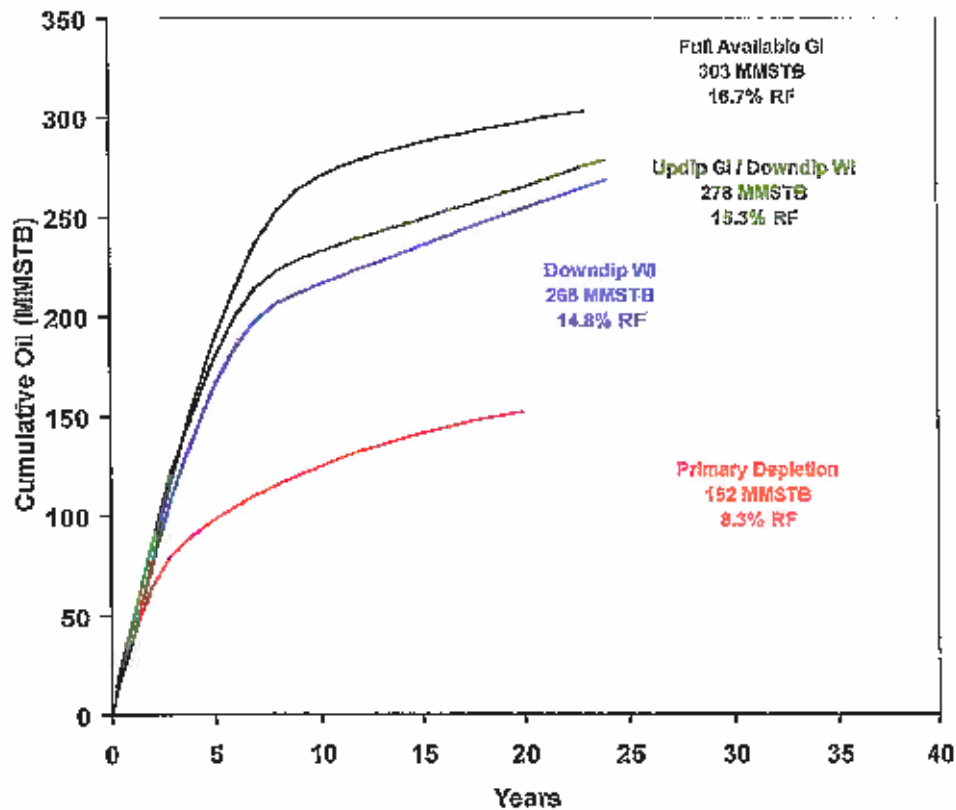


Figure 74: Recovery by Mechanism – Most Likely Phase 1

[Handwritten signature]

[Handwritten initials]

2.6.7 Field Analogs

Although it is difficult to locate a true field analog, due to the significant variation in rock properties, fluid properties, depositional environment and operating environment, a search of potential analog fields was undertaken. Two Petroleum Industry databases (IHS and C&C Reservoirs) were reviewed for analog fields to compare with the Jubilee Field. The initial search was limited to offshore fields, located in Africa, Europe, and North and South America, which were discovered after 1980 with greater than 100 MMBO reserves. Using these criteria, 275 fields were identified. These fields were then screened for similarities to the Jubilee Field, as shown in Figure 75.

Country	Field Name	Prod Start Date	W.D. Max Meter	Reservoir Unit Name	Recovery Factor %	Reserv. MMBOE	Cum. MMBOE	# Prod	MMBOE/Prod	Cum. MMBOE/Prod
Angola	Balpe (BBLT Complex)	24 Jan 03	880	Malemba Formation	37.7%	105	0	7	15	0
Angola	Benjuola (BBLT Complex)	23 Jul 07	200	Malemba Formation	37.5%	163	0	4	41	0
Angola	Lukito (BBLT Complex)	7 Jun 05	409	Malemba Formation	37.0%	178	0	8	22	0
Angola	Liata Complex	23 Dec 03	1,300	Malemba Formation	31.7%	1,018	0	25	41	0
Angola	Girassol	4 Dec 01	1,900	Malemba Formation	45.2%	688	302	32	33	10
Angola	Kuito	15 Dec 09	413	Malemba Formation	46.2%	690	133	26	18	4
Brazil	Esperanza	6 Aug 00	877	Carnapebas Formation	20.6%	201	87	10	28	7
Brazil	Galinho	8 May 08	1,287	Unanimesa Formation	36.0%	925	19	28	41	1
Brazil	Merim	18 Mar 01	858	Carnapebas Formation	32.7%	2,673	1,720	101	28	17
Brazil	Morim Leslie	9 Apr 00	1,360	Carnapebas, Nazaredo	14.0%	625	4	11	58	0
Brazil	Roncador	16 May 00	1,900	Carnapebas Formation	23.7%	3,173	170	35	91	6
Cote d'Ivoire	Boubab	9 Aug 06	1,517	2B80 - Upper Abian	25.0%	260	19	12	21	2
Equatorial Guinea	Ceiba	22 Nov 00	600	2237, 2600, 2600, 24/0 - Campan	30.8%	187	112	10	10	6
Equatorial Guinea	Okume (Okume Complex)		480	1878 - Campanian	34.9%	126	0	8	22	0
Equatorial Guinea	Zafiro Complex	25 Aug 08	650	Qus Iboe Member	40.0%	1,583	652	62	25	11
Nigeria	Aghada (Ikot)		1,135	Aghada Formation	40.0%	868	0	14	64	0
Nigeria	Bonga	20 Nov 05	1,125	Aghada Formation	40.0%	1,070	85	11	77	0
Nigeria	Bonga North 1		1,142	Aghada Formation	37.5%	176	0	2	88	0
Nigeria	Bonga North West 1		1,149	Aghada Formation	52.3%	132	0	2	66	0
Nigeria	Bonga Southwest 1		1,215	Aghada Formation	50.0%	753	0	8	122	0
Nigeria	Hria	30 Mar 06	1,194	Aghada Formation	50.0%	507	56	11	40	4
United Kingdom	Schiehallion	29 Jul 03	375	Valla Formation	67.2%	786	279	46	17	8
United States	Auger	15 Apr 04	873	4871 - Upper Eocene-GMS 1 em	75.8%	384	237	20	18	9
United States	Mars	8 Jul 93	1,014	3157, 72 - Lower Pliocene - 5418	24.8%	654	513	28	32	13
United States	Fahjil		1,224	7072 - 8105 Lower Miocene	33.3%	434	0	3	145	0
United States	Thunder Horse		1,884	8208, 20 - Middle Miocene - 7383	42.2%	688	0	9	110	0
United States	Thunder Horse North		1,718	6000 - Middle Miocene	40.0%	494	0	3	165	0
United States	Troika	15 Jan 98	938	4068, 08 - Lower Pleistocene - 5C	58.6%	380	212	10	23	21
United States	Ursa	6 Mar 89	1,225	3660 - Upper Miocene - 1854 Up	26.4%	484	276	14	33	20
Average of fields on prod:					40.7%	653	309	20	33	8

Figure 75: Jubilee Analogs

The key conclusions from the analog review are noted below.

2.6.7.1 Development Type

Most large field developments in West Africa utilize one or more FPSO's, some with associated TLP wellhead platforms (Kizomba). The BBLT complex in Angola utilizes a compliant tower as a drilling and production platform. The deepwater developments in Brazil and the Gulf of Mexico utilize TLP, FPU, and FPSO floating facilities. Ceiba, Zafiro, Kuito, Girassol, Albacora, Roncador and Mars followed a phased development approach. Fast-track developments

included: Ceiba (14 months), Zafiro (18 months), Kuito (30 months) and Girassol (sanctioned after two appraisal wells).

2.6.7.2 Field Size / Recovery

The analog fields ultimate recoveries range from 187 to 3173 MMBO, with an average field size of 885 MMBO. Recovery factors ranged from 14% (Marlim Leste) to almost 80% (Auger), with most recovery factors ranging from 30 – 50%. The average recovery for the fields was 40.7%.

2.6.7.3 Well Count / Type

The drainage area per well for most full field developments was less than 1000 acres. Roncador, Ceiba and Zafiro had drainage areas of 250 – 350 acres / well. Most developments incorporated high-angle or horizontal wells for production. Zafiro, Girassol, Dalia, Bonga, Roncador, Albacora, Kizomba, Mars, Troika and Ursa incorporated high angle or horizontal wells with frac-pack or open-hole gravel pack completions. Agbami, Ceiba, Girassol, Bonga, Mars, Ursa and Troika noted production well rates exceeding 20,000 BOPD; however, average well rates on a full field basis were generally lower.

2.6.7.4 Pressure Maintenance

Fields that required pressure maintenance had an injector to producer ratio of 1:2 or greater. Agbami, Kuito, Girassol, Kizomba, Bonga, Dalia, and BBLT employed injection from production start up. A delay in the start of water injection at Ceiba Field resulted in a period of reduced oil off-take, until reservoir pressure was restored with water injection. This illustrates the necessity of early water injection in the absence of natural aquifer support.

2.6.7.5 Recovery Per Well

Based on full field development, BUR per well for the fields examined ranged from 10 MMBO (Ceiba) to 91 MMBO (Roncador). The final well count for Roncador remains uncertain. The average recovery per well was approx 30 MMBO.

2.6.7.6 Interference Testing

Interference testing with early development wells was applied in Dalia, Bonga, Girassol, and Zafiro to help mitigate concerns about compartmentalization and reservoir connectivity.

2.6.7.7 Key Uncertainties / Lessons Learned

The critical issues noted in most analog fields were compartmentalization, net reservoir sand, and reservoir connectivity. Attempts to accelerate the understanding of reservoir connectivity include: early interference testing (Dalia, Bonga, Girassol, and Zafiro); extended well testing (Roncador); and, phased developments at numerous fields. Ceiba showed static pressure communication, but exhibited compartmentalization during dynamic production. Appraisal at

Roncador encountered more complex reservoir architecture than originally interpreted, with at least five reservoir compartments. Zafiro and Okume Complex have experienced better-than-expected connectivity based on dynamic production information.

2.6.8 Oil in Place and Ultimate Recovery

Most likely volumetric and simulation based estimates of STOOIP and estimated ultimate recovery (EUR) were made for the LM2 and UM3 Sands.

2.6.8.1 Volumetric Estimate

A Most Likely estimate of stock tank oil originally in place (STOOIP) was made using a volumetric methodology. Wellbore drill cuttings, sidewall cores, whole cores, electric logs, petrophysical analysis, dip meters, MDT pressure analysis, PVT fluid analysis, geophysical synthetics and drill stem results were incorporated to determine the values of stock tank oil originally in place (STOOIP). The net pay in the wells was calibrated to the seismic amplitude and AVO response to estimate the pay thickness away from the wells. Time structure maps were constructed from the WesternGeco Q fast-track dataset, see Figures 76 - 77.

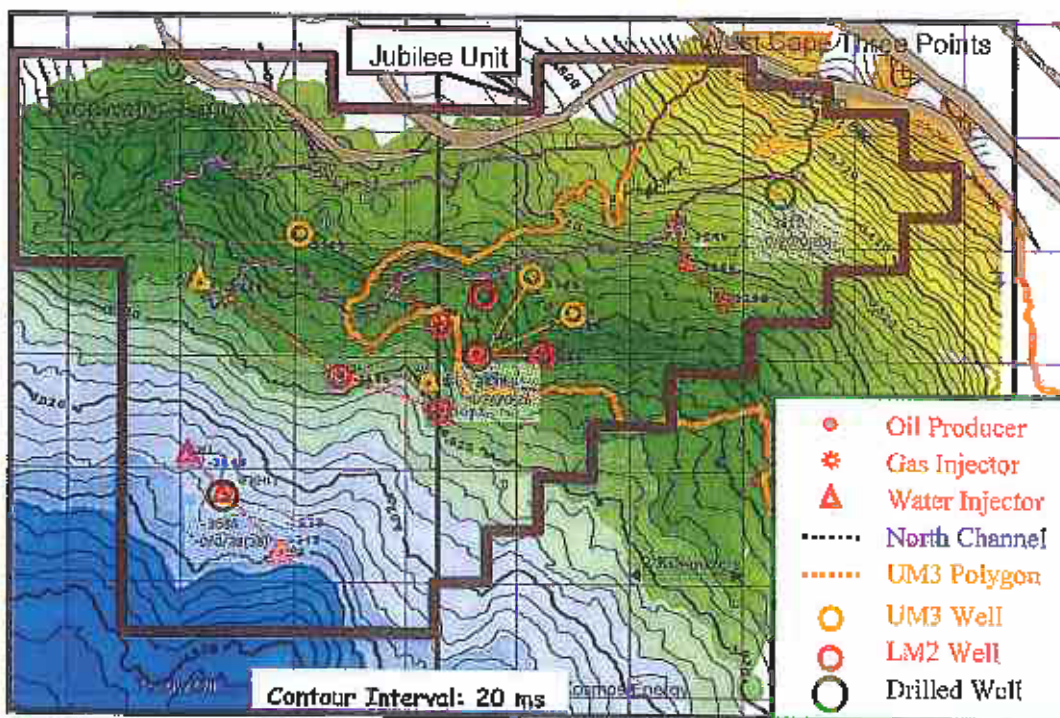


Figure 76: UM2 Time Structure Map

Handwritten signature

Handwritten initials: AMM, JBA

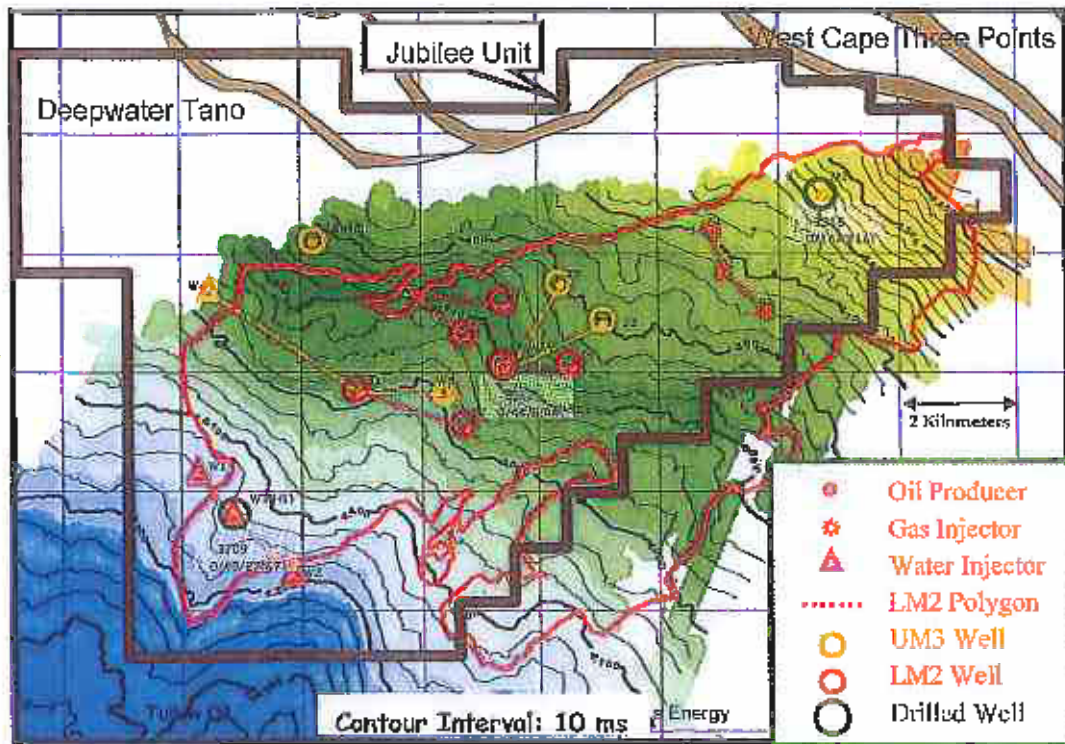


Figure 77: LM2 Time Structure Map

The next step was the conversion of the time structure maps to depth structure maps. The conversion utilized varying velocity models, water bottom corrections and well data. Structure maps were generated for the UM2, UM3 and LM2 Sands, see Figures 78 - 80.

Handwritten signature

Handwritten initials: AMM and STA

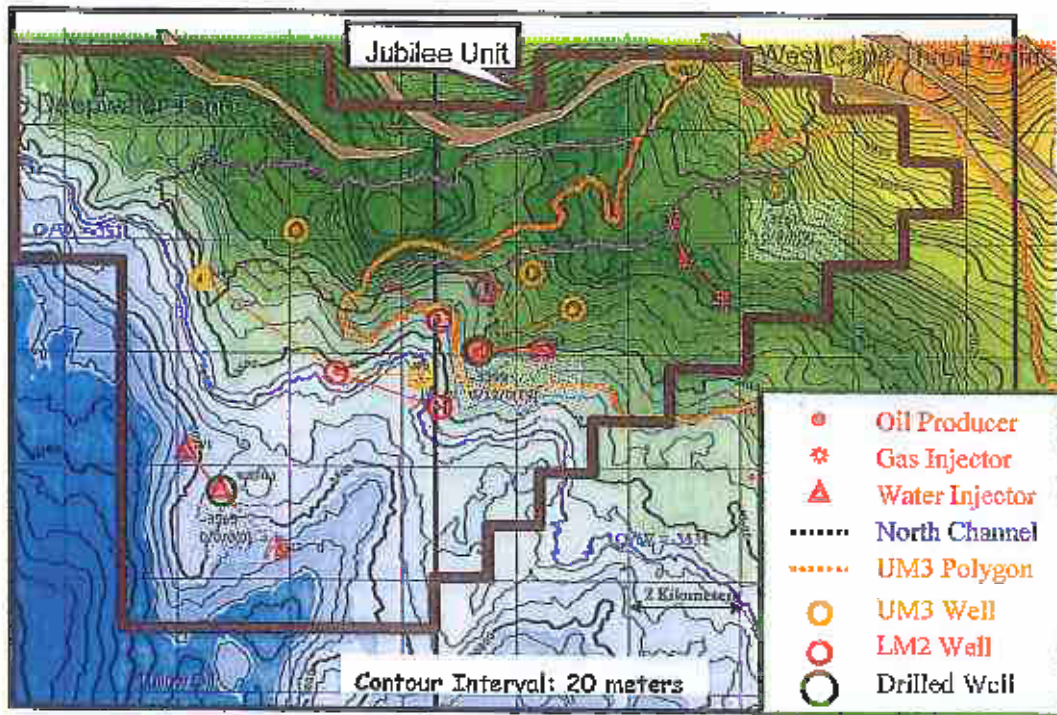


Figure 78: UM2 Depth Structure Map

Handwritten signature

Handwritten initials: AM, JJA

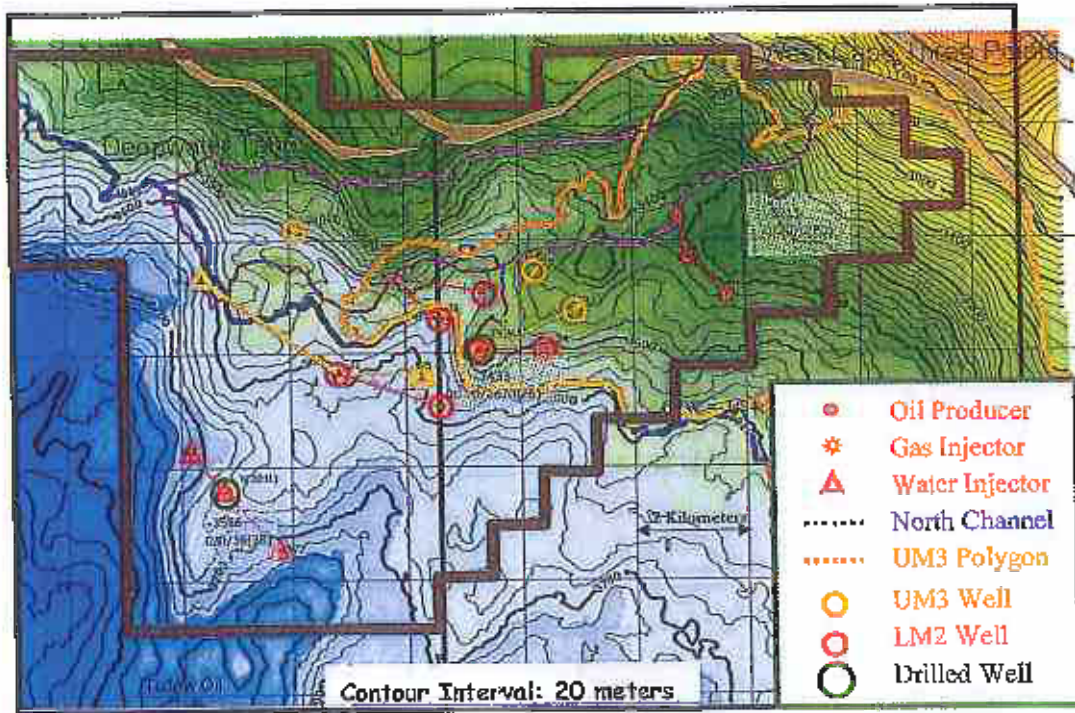


Figure 79: UM3 Depth Structure Map

Handwritten signature

Handwritten initials: MM & JTA

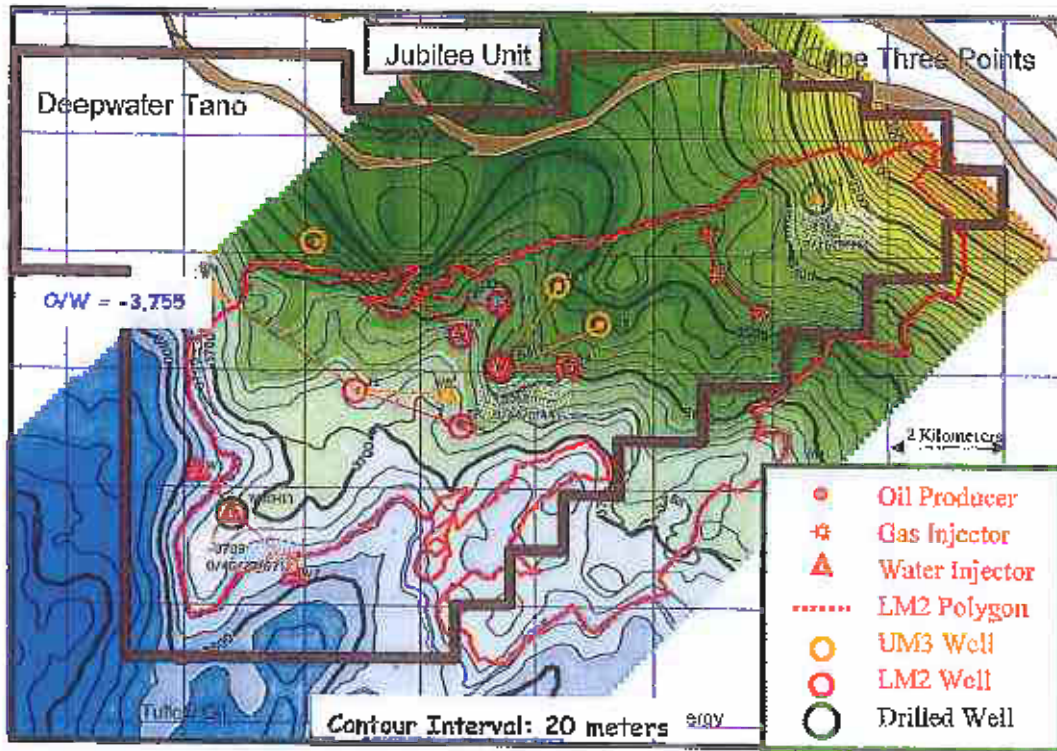


Figure 80: LM2 Depth Structure Map

Interval time isochron maps were generated from the 3D time seismic dataset for each pay section. The isochron maps were converted to isochore maps by multiplying with the interval velocity. The next step was to determine the net to gross for each pay section. A grid was generated using the net to gross sand found in each well. The net to gross sand was distributed throughout the area, based on seismic amplitudes and AVO response, see Figures 81 - 82.

Handwritten signature

Handwritten initials: AMM, A, JGA

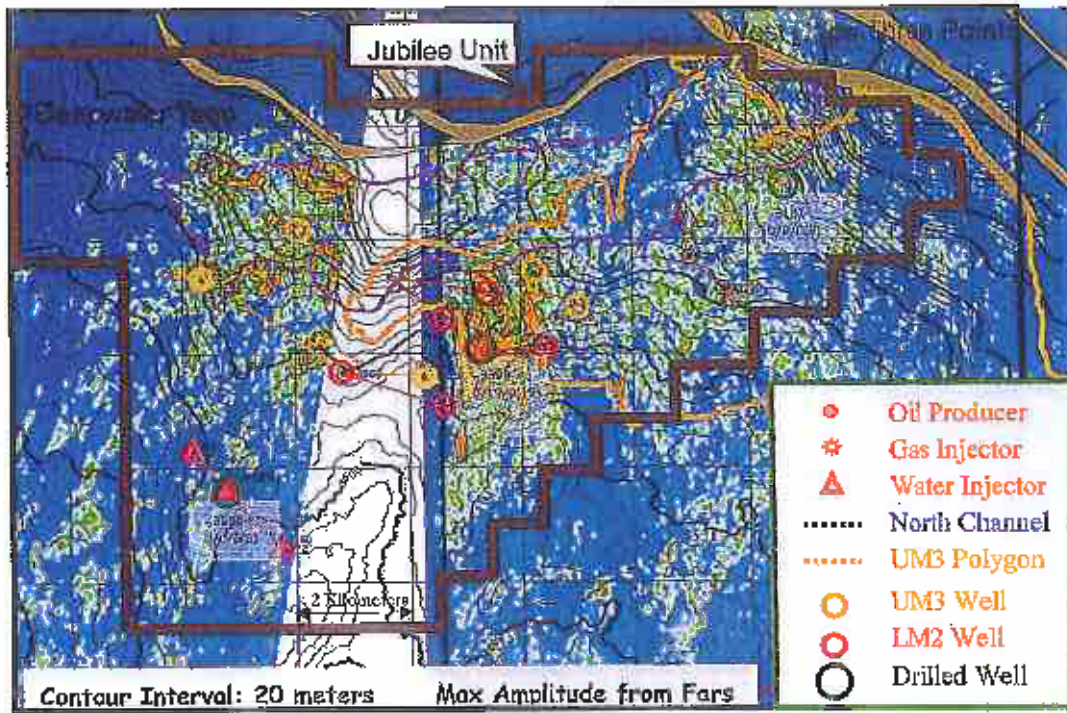


Figure 81: UM3 Depth Structure with Amplitude

[Handwritten signature]

[Handwritten initials: AM, f, JSA]

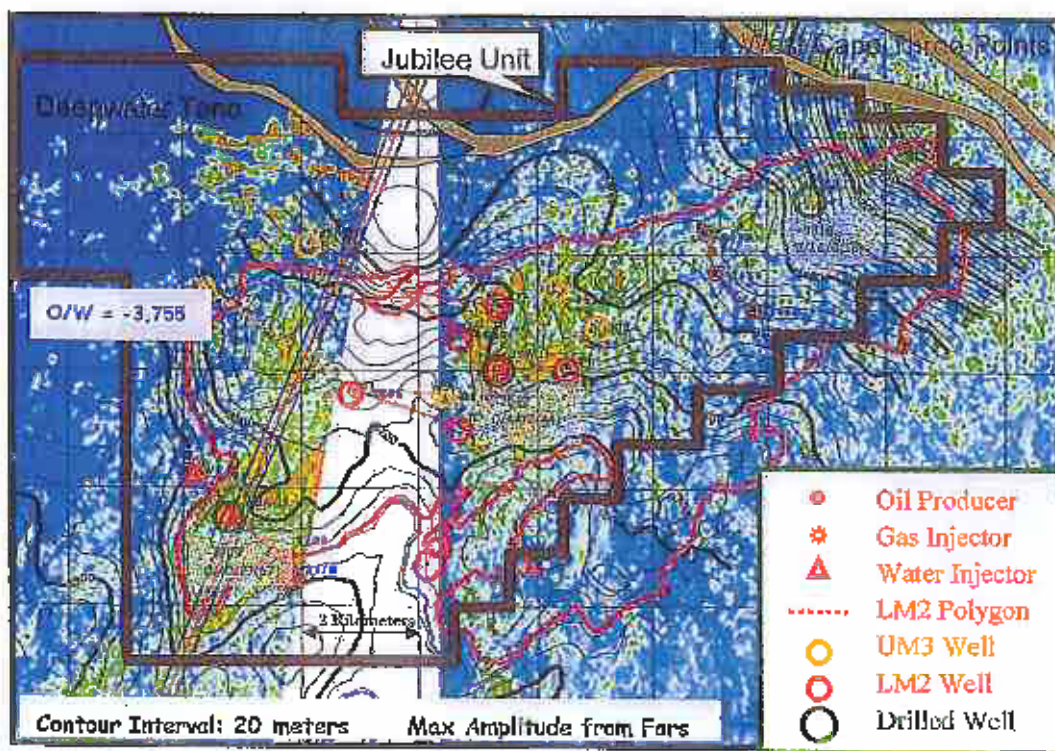


Figure 82: LM2 Depth Structure Map with Amplitude

One net to gross isochore map was generated for the LM2 Sand and one for the UM3 Sand. The net to gross sand ratio for each map was multiplied by the isochore thickness to develop the net pay isochore maps, see Figures 83 - 86. Area and thickness were then planimetered for each isochore map. Initial oil formation volume factor was based on PVT analysis; and, porosity and water saturation were based on well log data. The recovery factors were based on simulation results and assumed 100% voidage replacement with updip gas injection and downdip water injection. An arbitrary polygon was noted on the net pay isopach maps, representing the area that would be drained by the Phase I production wells. This polygon is illustrated in green on the net pay isopach maps, see Figures 83 - 86. As noted, the Phase I development area represents only a portion of the Most Likely area for the UM3 and LM2, which illustrates that a possible future phase of development will likely be required to fully develop this mapped area.

[Handwritten signature]

[Handwritten initials: AM, J, J]

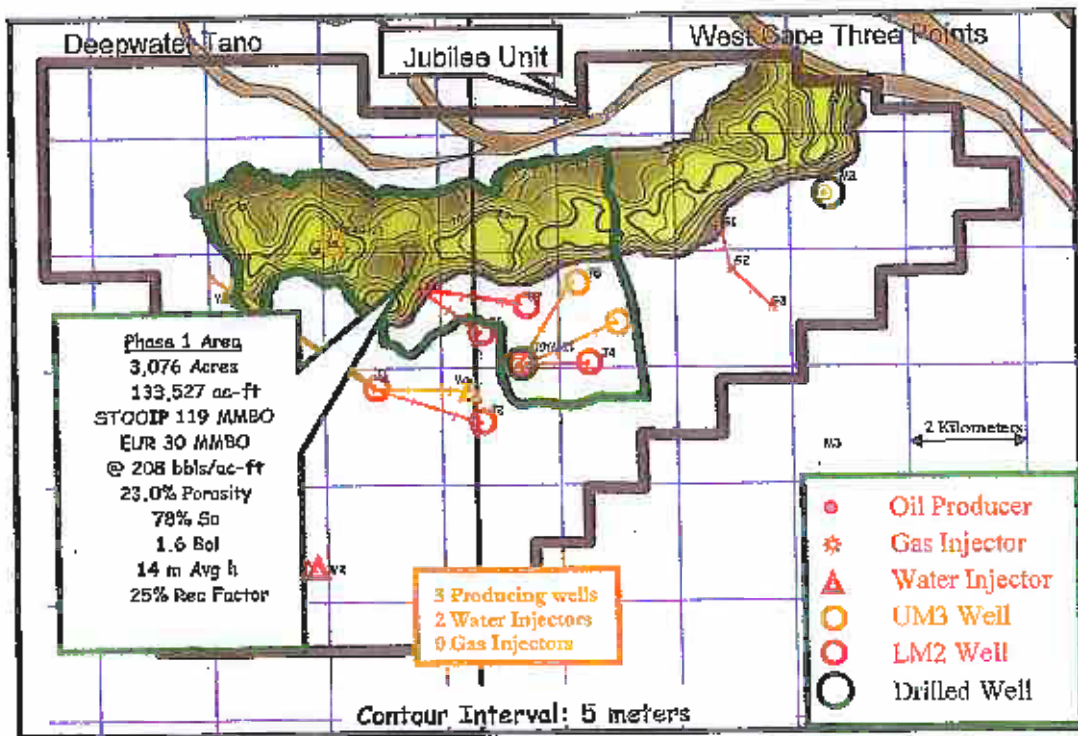


Figure 83: Northern Channel Net Pay Isopach Map

Handwritten signature

Handwritten initials: MM, J, J

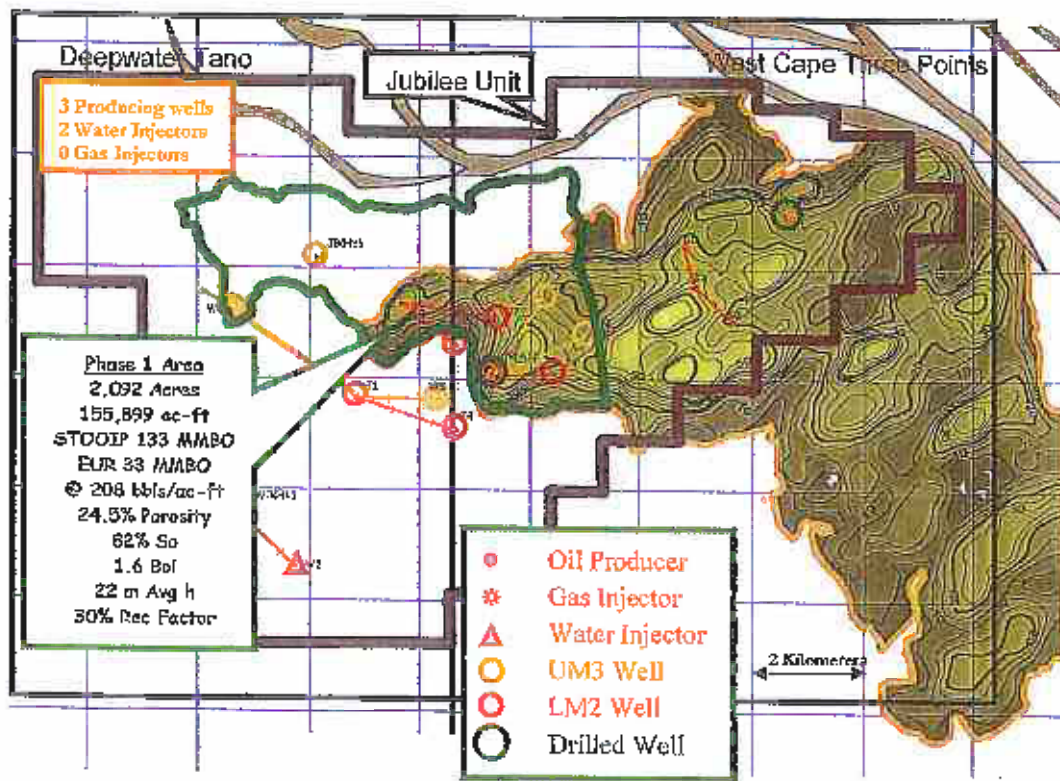
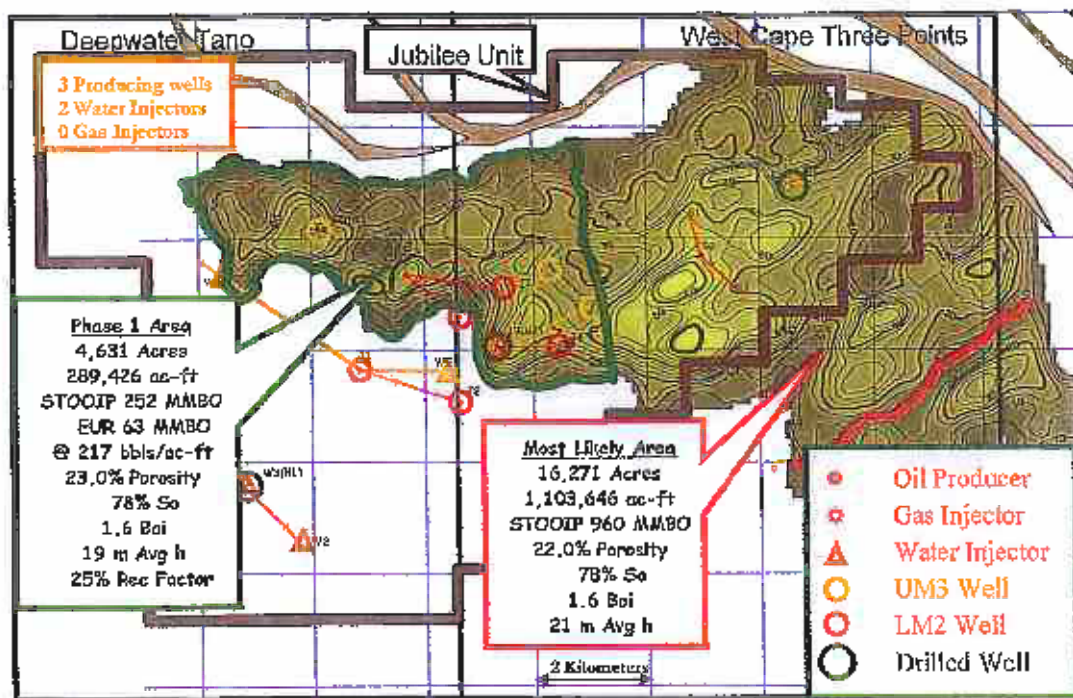


Figure 84: UM3 Net Pay Isopach Map

[Handwritten signature]

[Handwritten initials]



Contour Interval: 5 meters

Figure 85: UMS & Northern Channel Net Pay Isopach Map

Handwritten signature

Handwritten initials: AM, JH

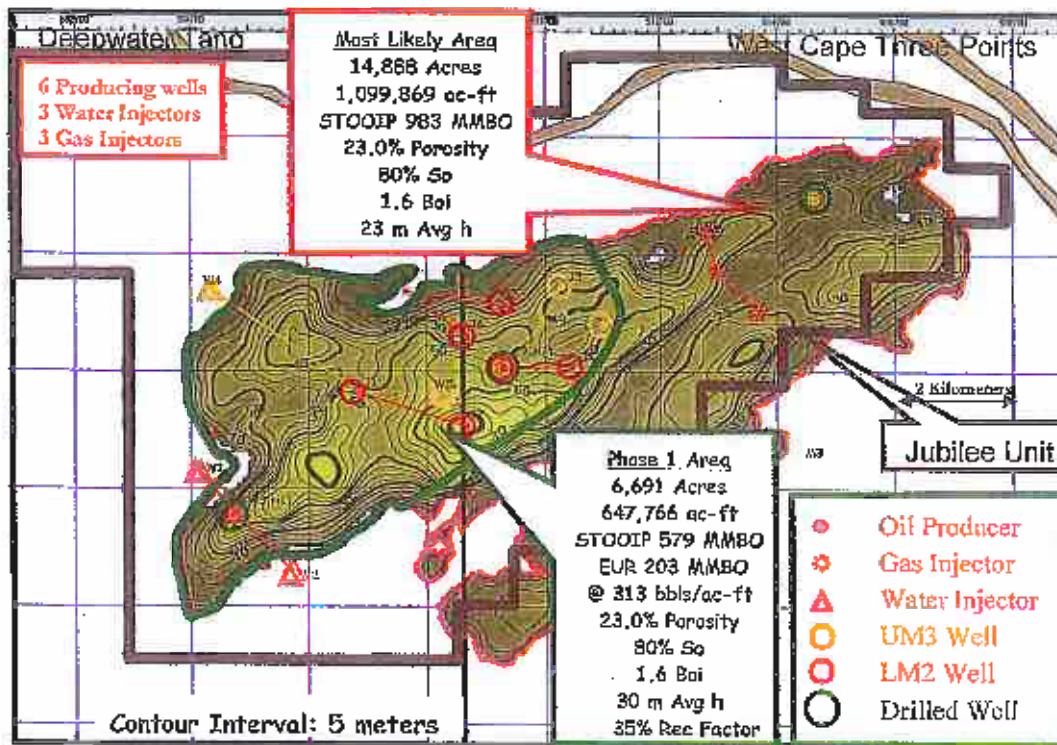


Figure 86: LM2 Net Pay Isopach Map

Deterministic volumetric estimates were based on the following equation:

$$\text{STOOIP} = 7758 (A \times h \times \Phi \times S_{oi}) / \text{Boi}$$

$$\text{EUR} = \text{STOOIP} \times \text{RF}$$

Where: A = area, acres
 h = net pay, feet
 Φ = porosity, %
 S_{oi} = Initial Oil Saturation, %
 Boi = Initial Oil Formation Volume Factor, rb/stb
 RF = Recovery Factor, %

[Handwritten signature]

[Handwritten initials]

A summary of the parameters utilized for the volumetric estimate is shown in Figure 87. The Most Likely deterministic estimate of STOOIP is 1,943 MMBO; and, the Most Likely deterministic estimate of EUR for the Phase 1 development is 265 MMBO. This represents an average recovery factor of 13.6%. The low recovery factor reflects ultimate recovery from Phase 1 relative to the STOOIP from the entire structure, illustrating the future upside potential in the Jubilee Field.

Basis for Volumetric Estimate

Sand	Area Acres	h Feet	Porosity %	Sw %	FVF (b/stb)	STOOIP MMBO	Phase 1 EUR MMBO	Recovery Factor, %
LM3	18,271	68	22.0%	22.0%	1.6	960	63	6.6%
LM2	14,888	75	23.0%	20.0%	1.6	983	203	20.6%
Total / Average	31,159	71	23.0%	21.0%	1.6	1,943	265	13.6%

Comparison of Volumetric and Simulation Estimates

Sand	Volumetric Estimate					Simulation Estimate				
	STOOIP MMBO	EUR MMBO	R.F.	Wells	Per Well MMBO	STOOIP MMBO	EUR MMBO	R.F.	Wells	Per Well MMBO
LM3	960	63	6.6%	3	21	884	69	8.7%	3	20
LM2	983	203	20.6%	6	34	930	219	23.5%	6	37
Total / Average	1,943	266	13.7%	9	29	1,814	278	15.3%	9	31

Figure 87: STOOIP and EUR Summary

2.6.3.2 Reservoir Simulation Estimate

The Most Likely simulation based estimate of STOOIP is 1,814 MMBO; and, the Most Likely simulation based estimate of EUR for the Phase 1 development is 278 MMBO. This represents an average recovery factor of 15.3%. The low recovery factor reflects ultimate recovery from Phase 1 relative to the STOOIP from the entire structure, illustrating the future upside potential in the Jubilee Field. A typical range of recovery factors of 30% - 50% applied to the Most Likely area would yield recoveries of 544 MMBO to 907 MMBO.

A summary of the Most Likely STOOIP and EUR for the volumetric and simulation estimates is shown in Figure 87. Both estimates have similar results and indicate an average recovery of approximately 31 MMBO per well for the nine Phase 1 production wells. This recovery is consistent with the average of 33 MMBO per well for analog fields, as shown in Figure 75.

2.6.9 Development Plan

2.6.9.1 Well Locations

The locations of the Mahogany 1, Hyedua 1 and Mahogany 2 and the locations of the development wells for the Phase 1 development are shown in Figures 88 - 89. Although the Phase 1 development plan focuses on the development of the LM2 Sand, UMB development was included to provide dynamic production information to aid in framing possible future phases of development. The Phase 1 plan includes up to seventeen wells, including the Hyedua 2 appraisal well, consisting of up to nine oil production wells, up to three gas injection wells and up to five water injection wells. If gas injectivity and reservoir continuity are satisfactory, the target is two gas injection wells. Although current estimates of well productivity indicate that six oil production wells should be sufficient to fill the FPSO capacity of 120,000 BOPD, three additional oil production wells were added to the Phase 1 plan to provide redundancy in the event of reservoir thickness variation, reservoir quality variation or mechanical failure. All of the following Jubilee Field well location maps show the total Phase 1 well count of seventeen "Total" wells. However, the final well type count (producer, or injector gas or water), as well as their final locations, within this total, will remain flexible as new well information is obtained as wells are drilled and as reservoir understanding and production forecasting models are updated during the project.

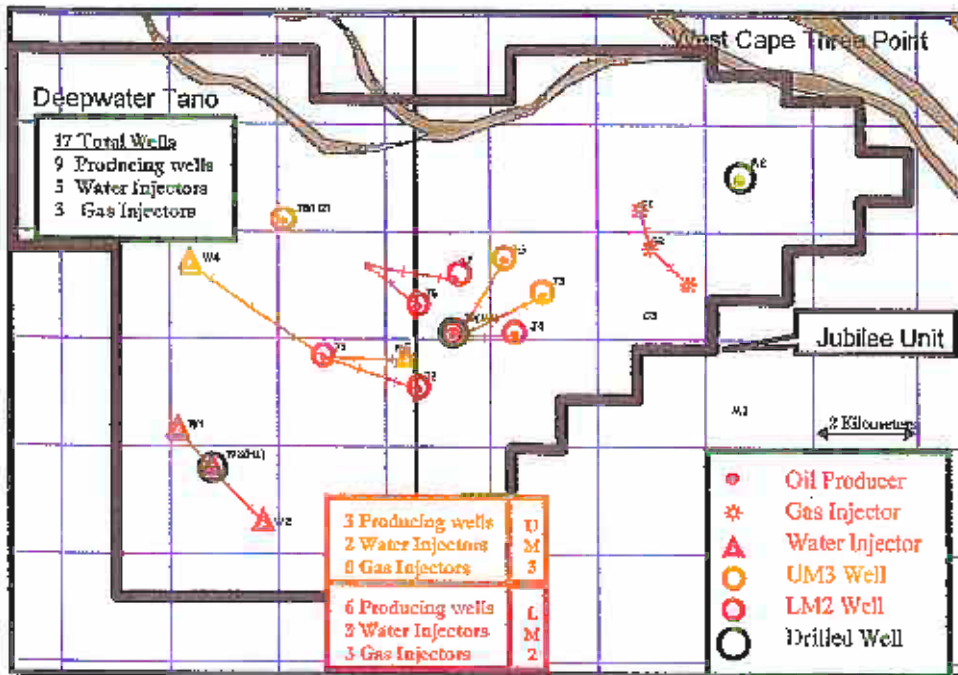


Figure 88: Phase 1 Base Map

AMM \$
JFA

[Handwritten signature]

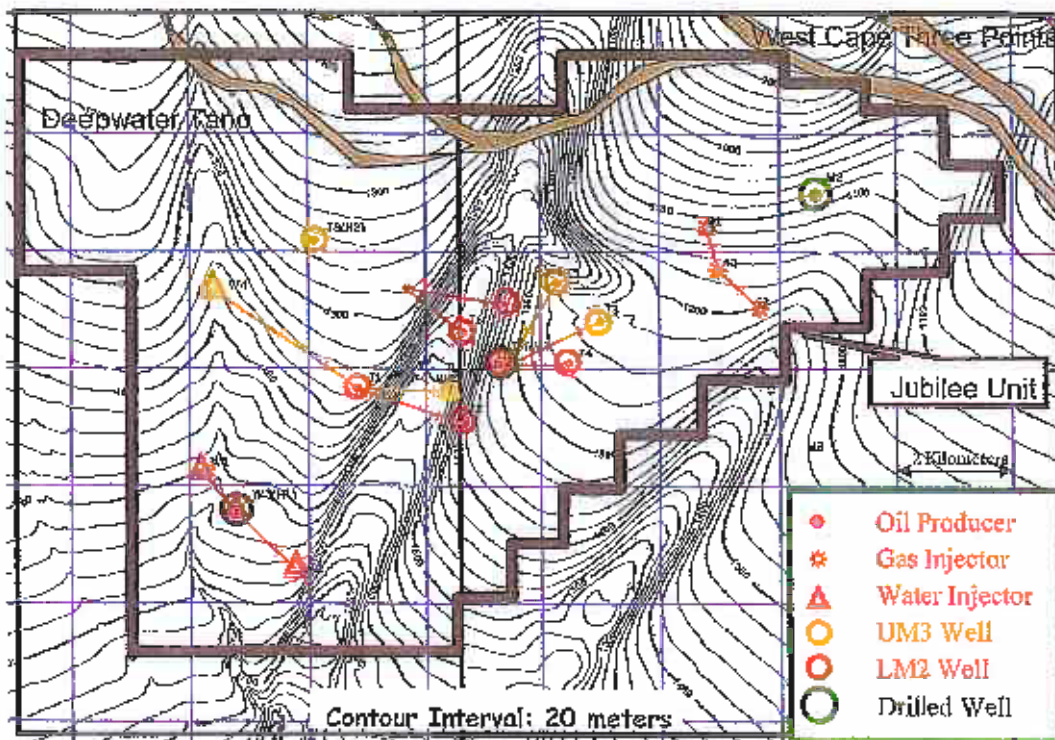


Figure 89: Phase 1 Base Map with Bathymetry

The UM3 Sand is planned to be developed in Phase 1 with three oil production wells, two water injection wells and no gas injection wells. As the UM3 Sand is further appraised, the application of updip gas injection will be evaluated for possible future phases of development, given the compelling benefit to ultimate recovery. The LM2 Sand is planned to be developed in Phase 1 with six oil production wells, three water injection wells and three gas injection wells. The actual number and location of the Phase 1 development wells will be refined during the ongoing drilling program and evaluation of the final processed volume from the Q Survey. The total well count may be reduced from the planned seventeen wells, based on drilling program results. A basemap noting the Phase 1 well locations, with inline seismic lines is shown in Figure 90. Wellbore inline seismic displays, noting the cut points of the Phase 1 wells are displayed in Figures 91 - 94.

Handwritten signature

Handwritten initials: AM, JM

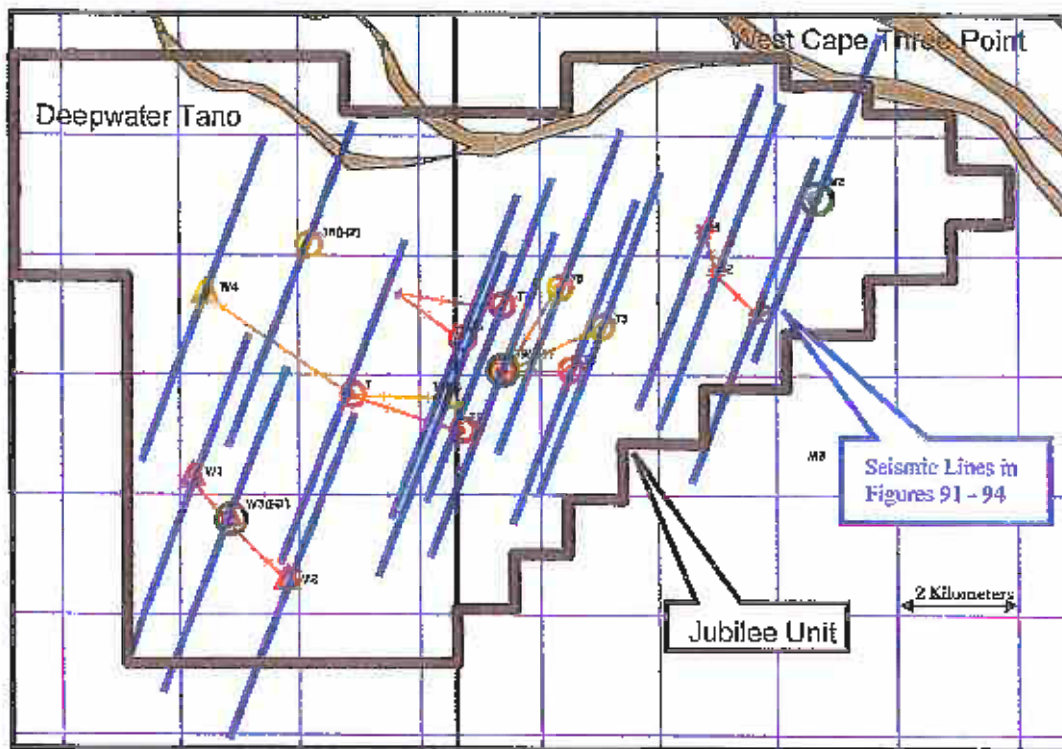


Figure 90: Phase 1 Base Map with Seismic Lines

Handwritten signature

Handwritten initials: AM, JFA

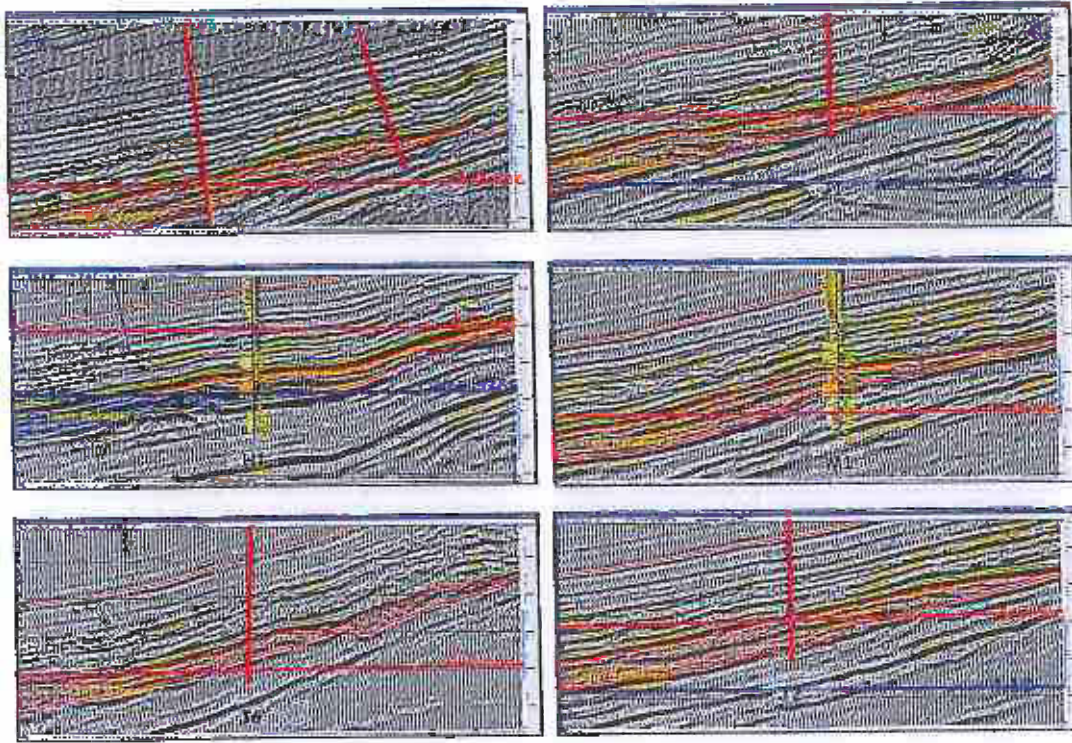


Figure 91: LM Takepoint Intersection Seismic Inlines

Handwritten signature in blue ink.

Handwritten initials and symbols in blue ink.

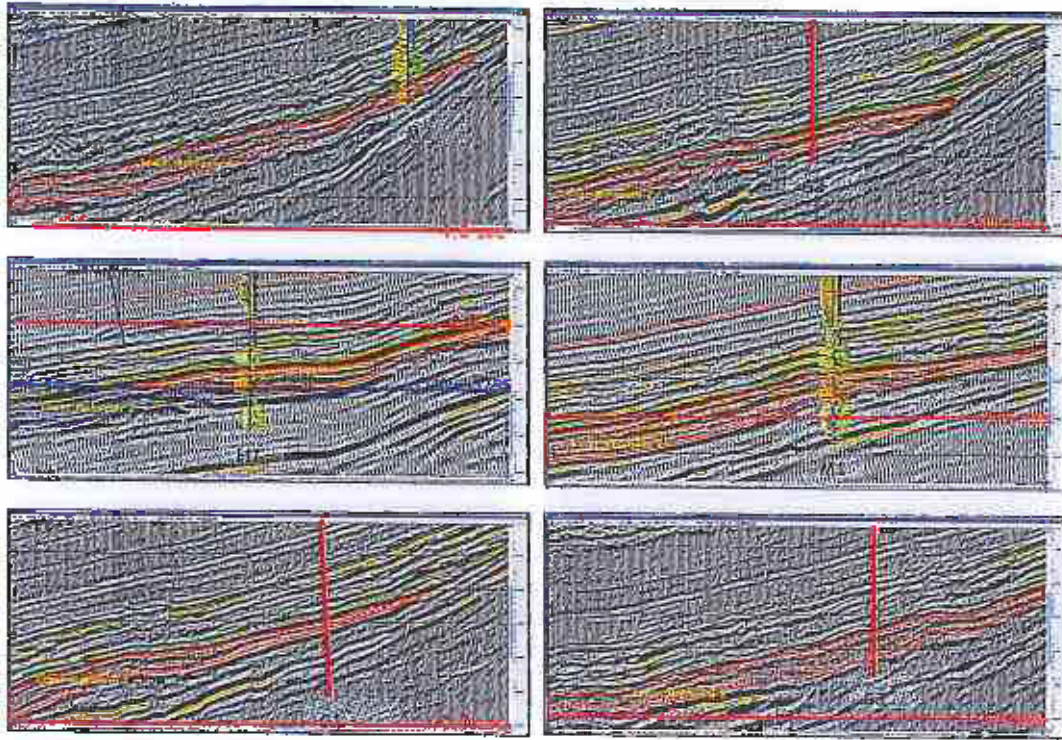


Figure 92: Lower Mahogany Takepoint Intersections Seismic Inlines

Handwritten signature

Handwritten initials and symbols

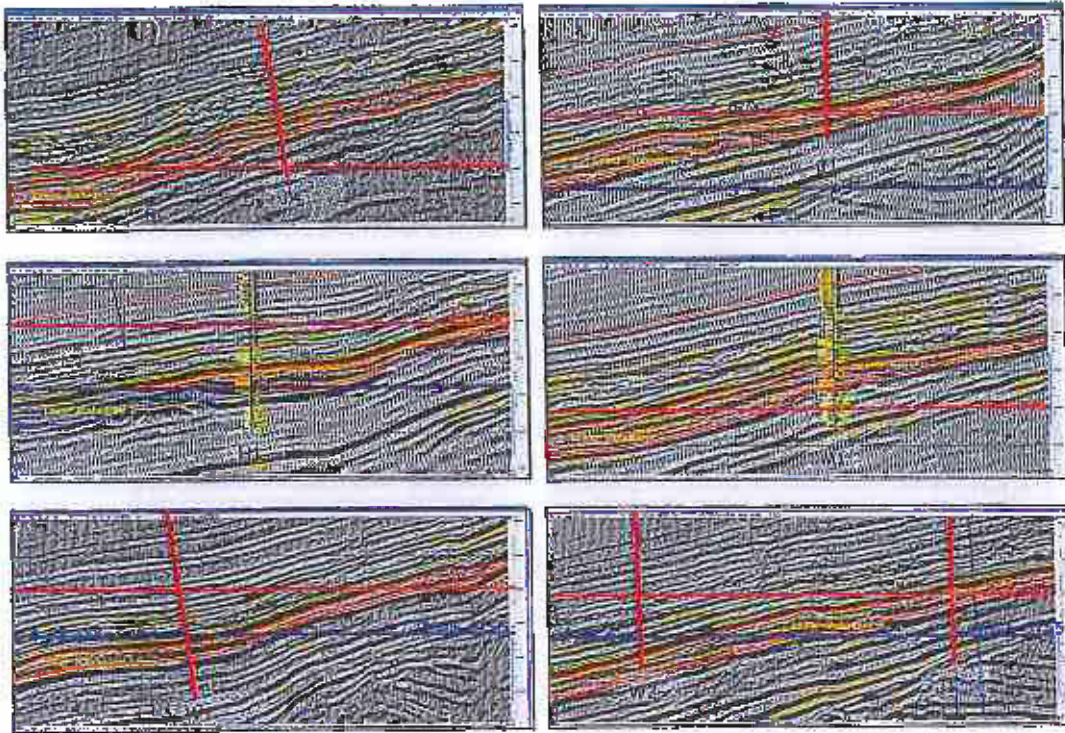


Figure 93: Lower Mahogany Takepoint Intersections Seismic Inlines

[Handwritten signature]

AM \$
 JA

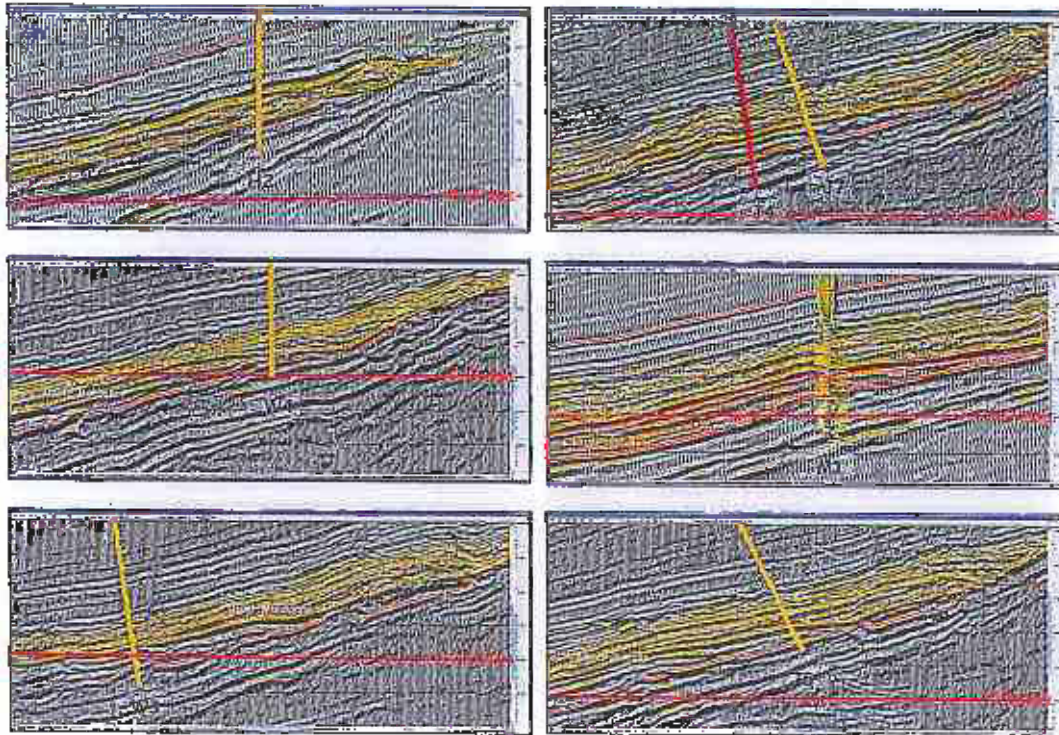


Figure 94: Upper Mahogany Takepoint Intersections Seismic Inlines

2.6.9.2 Gas Injection Wells

Up to three gas injection wells are planned in the Phase 1 development in the LM2 reservoir. Reservoir simulation indicates an ultimate recovery increase of 35 MMBO from injection of all available gas production, compared to water injection. The optimum location for gas injection wells is in the highest structural position where sufficient gas injection can be established to support reservoir pressure and enhance ultimate recovery. In addition, gas injection wells are ideally located as far as possible from oil production wells to avoid premature gas breakthrough and gas cycling between gas injection and oil production wells. This premature gas breakthrough and gas cycling will negatively impact ultimate oil recovery. The Mahogany 2 area was initially believed to be a suitable location for LM2 gas injection wells. However, the Mahogany 2 drill stem test indicated poor communication with the Phase 1 development area in LM2 reservoir. As a result, two locations for LM2 gas injection have been identified and are shown in Figure 95. In the event a suitable location for LM2 gas injection wells cannot be identified, the 100% voidage replacement would be accomplished with downdip water injection, provided it can be justified. In that event, alternative gas

Handwritten signature

Handwritten initials: AM, JJA

utilization strategies could include: a greater volume of gas export or injection into the UM3 Sand.

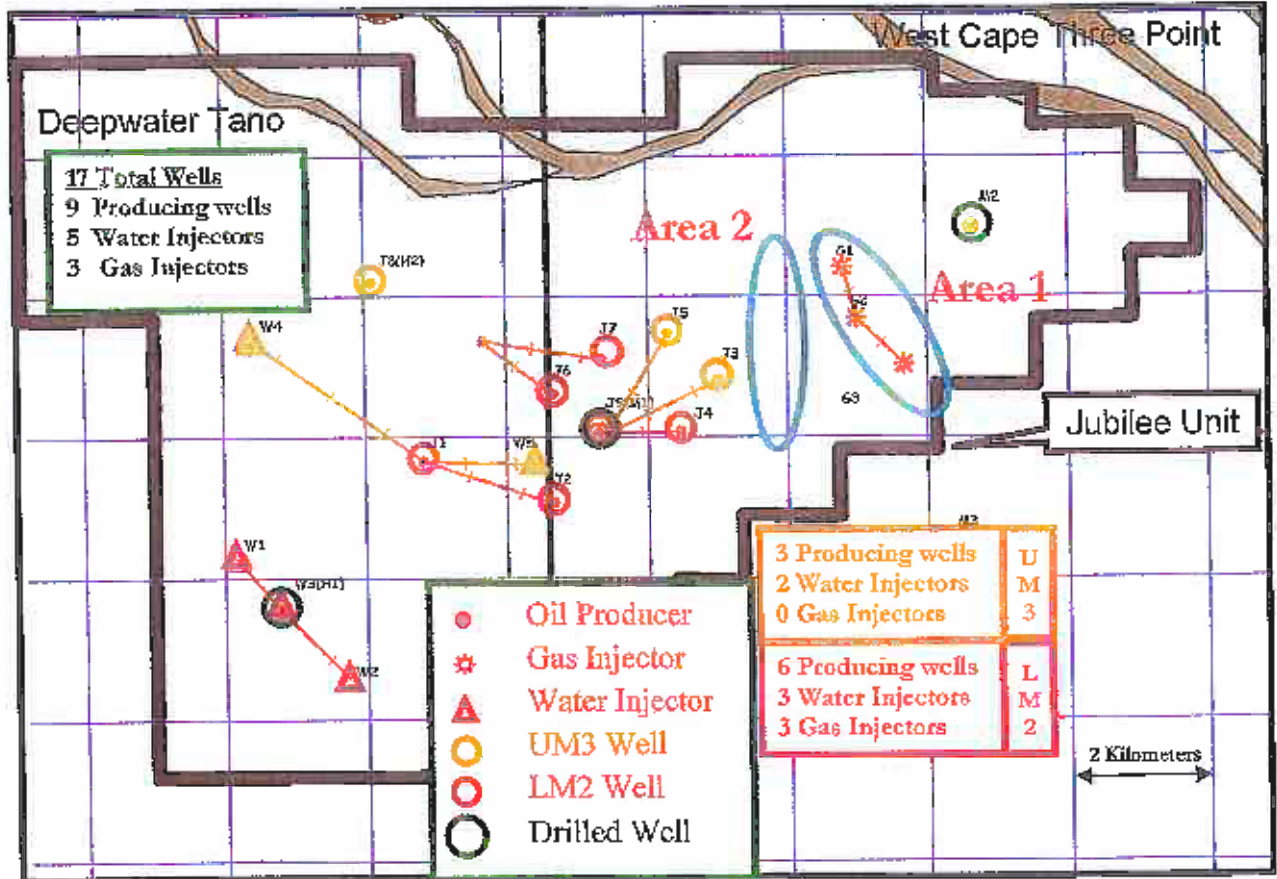


Figure 95: Phase 1 Gas Well Location

2.6.9.2.1 Area 1 Location

The Phase 1 development plan includes three LM2 gas injection wells located in Area 1, see Figure 95. This area is approximately mid-way between the Mahogany 2 location and the Phase 1 production wells. This location is approximately 3km from the Phase 1 production wells to avoid premature gas breakthrough and gas cycling. The Phase 1 development plan includes drilling the first gas injection well, G2 early in the schedule and provides for a drill stem test to evaluate continuity with the Phase 1 production wells.

2.6.9.2.2 Area 2 Location

Area 2 is located immediately east of the planned Phase 1 development wells, see Figure 95. This area currently has the lowest reservoir

Handwritten signature

Handwritten initials: AM, F, JEA

uncertainty due to its proximity to the Phase 1 development area. However, simulation indicates a 10% reduction in LM2 ultimate recovery relative to the Area 1 location, resulting from premature gas breakthrough and cycling.

2.6.9.2.3 Optimization Plan

The plan for optimizing the gas injection location is noted below:

- Evaluate the final processed volume from the Q Survey to identify continuity between the two gas injection areas and the main LM2 field area developed in Phase 1.
- Drill G2 in Area 1
 - G2 Success
 - If the G2 finds sufficient net pay quality and thickness to provide effective gas injection, a drill stem test will be conducted to verify reservoir continuity with the Phase 1 development area.
 - G2 Failure
 - If G2 is unsuccessful in proving the sufficient net pay quality and thickness for an effective gas injection well, relocate gas injection center to Area 2. Drill a gas injection well in Area 2 to evaluate pay thickness and quality and drill stem test to verify reservoir continuity with the Phase 1 development area.

2.6.9.3 Drilling Plan and Schedule

The drilling campaign plans to use two rigs for drilling and testing operations, shown as Rig A and Rig B in Figure 96. The Phase 1 development plan includes up to seventeen wells; however, Mahogany 1 and Hyedua 1, which are exploration and appraisal wells respectively, will be completed for production and injection, respectively. The Hyedua 1 will be renamed W3; and, the Mahogany 1 will be renamed J9 for the Phase 1 development. Since these two wells will be completed for the development, the Phase 1 development plan includes up to fifteen additional wells, including the Hyedua 2 appraisal well. One further and contingent replacement well (beyond the fifteen additional planned wells) has also been included in the Phase 1 development budget. This replacement well could be required in the event of wellbore failure during drilling or completion operations, or, in the event insufficient pay thickness or quality is realized at one of the fifteen planned additional locations. Rig A is planned to perform all completions. Wellbore stability modeling has been evaluated and no unusual

AM &
JFA

stress related problems are anticipated. In addition, high resolution seismic will be evaluated for each well location for shallow gas hazard identification.

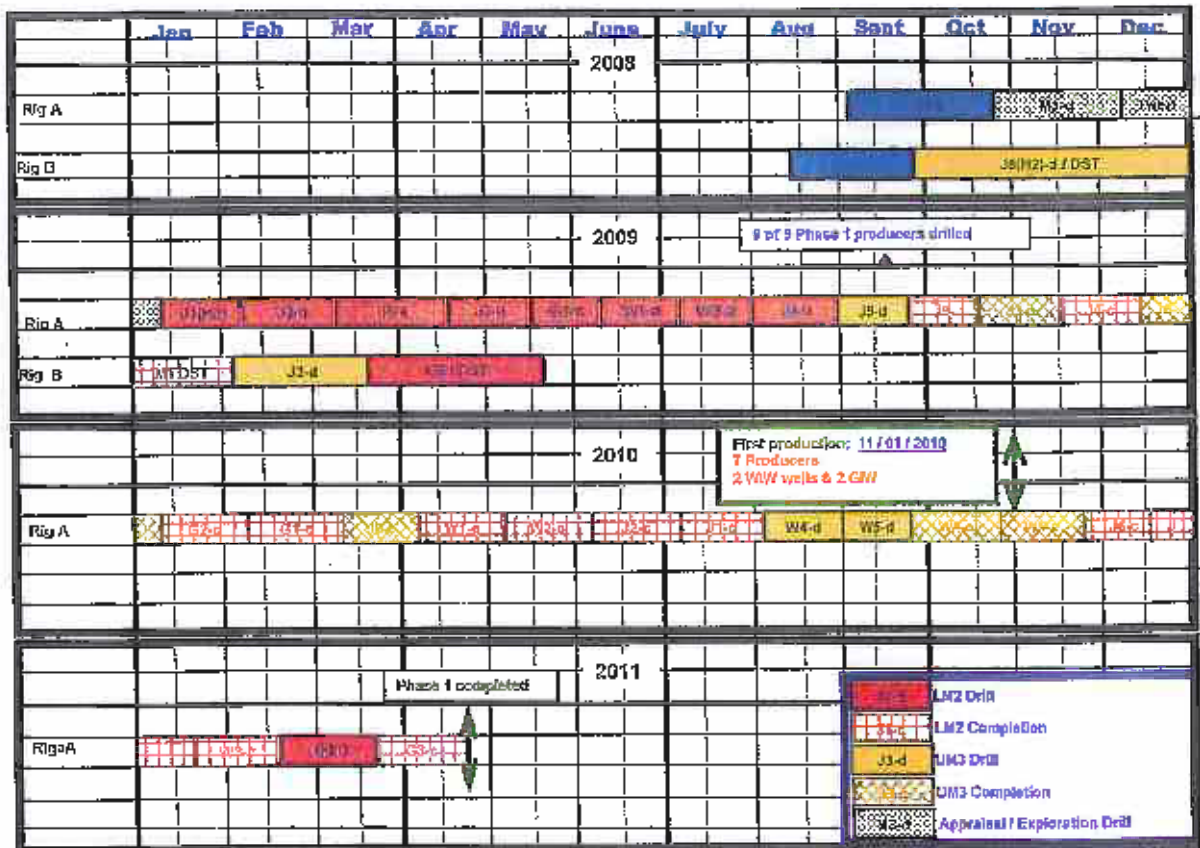


Figure 96: Phase 1 Currently Planned Drilling Schedule

A typical well design is shown in Figure 97. A 36" conductor/structural casing will be jetted to approximately 70m below the mudline. A 26" hole will then be drilled with sea water and gel sweeps to approximately 500m below the mudline. A 20" casing will be set to section TD and cemented to the mudline. A 17-1/2" hole section will then be directionally drilled with LT MOBMs (low toxicity mineral oil base mud) to approximately 1400m TVD below the mudline. Cuttings being discharged while using this mud system will have an oil retention range of 6% - 8%, with a maximum of 8%. A 13-3/8" casing string will be set and cemented. A 12-1/4" hole section will be directionally drilled to TD. Formation evaluation will consist of LWD in the 12-1/4" hole section and include: gamma-ray, neutron-density, resistivity and annular pressure while drilling with the option to run formation pressure while drilling. Additionally, open-hole wire line logging and velocity data (check shot / VSP) are planned in early wells and as required. A 9-5/8" production casing string, with gas-tight connections, will be set and cemented at TD. Annular pressure buildup (APB) risks will be mitigated by the installation of rupture disks installed in the 20" casing string.

[Handwritten signature]

[Handwritten initials]

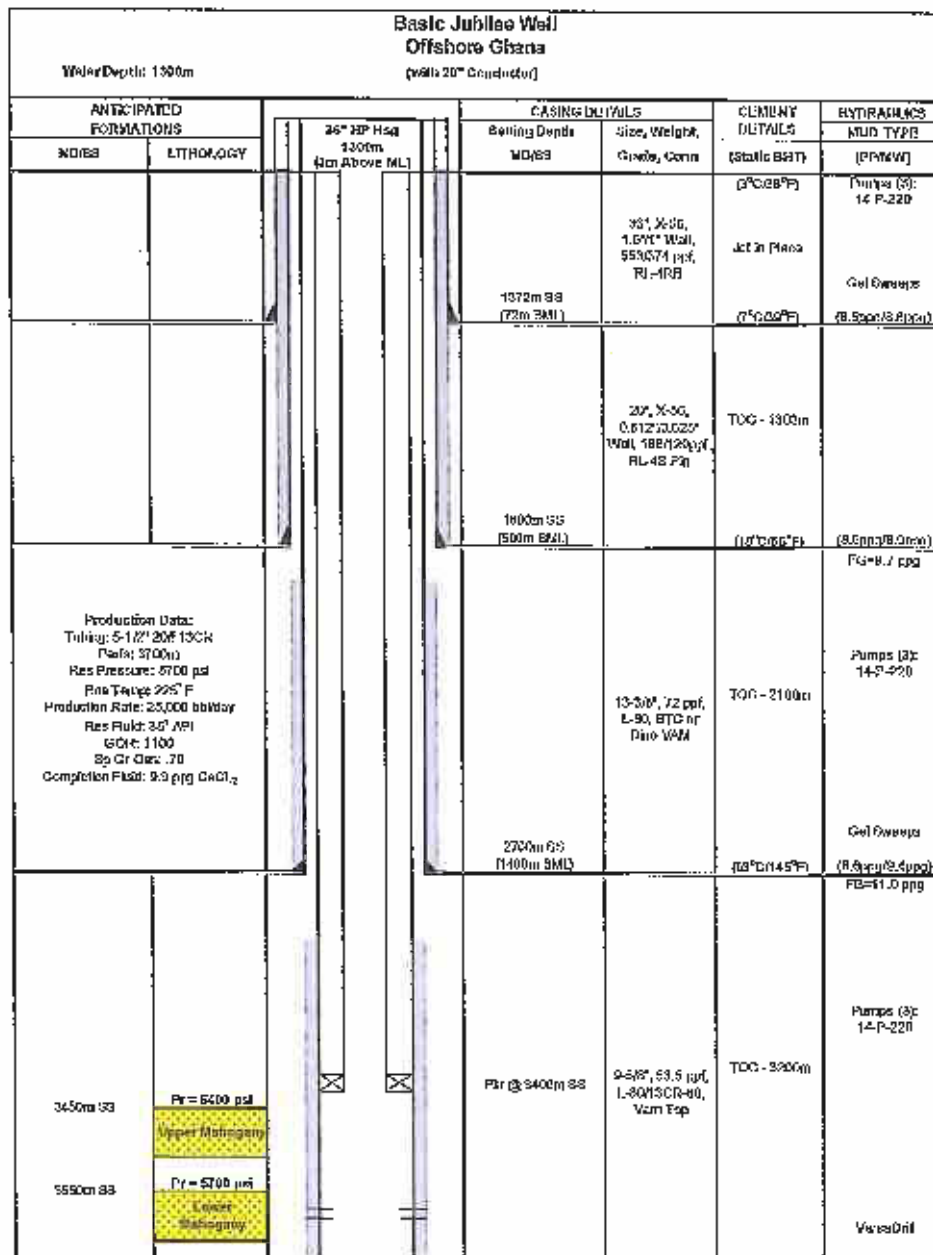


Figure 97: Typical Well Diagram

The Phase 1 development plan includes acquisition of whole core in J6, acquisition of whole core in J8 and three firm drill stem tests to evaluate reservoir continuity and reservoir quality. The wells planned for drill stem testing using Rig B are: J8 (Hyedua 2 location), J9 (Mahogany 1) and G2. The J8 and J9 may be suspended with Metrol type pressure gauges to monitor connectivity between wells during other drill stem tests. Following drill stem testing the wells will be

suspended and Rig A is planned to complete the wells for production at a later date. Two additional, notional drill stem tests are included in the Phase 1 development costs to provide for potential testing, in the event areas are found during the development drilling campaign that do not meet expected results.

Although the Phase 1 wells are planned with hole angles of generally less than 55 degrees, the potential application of horizontal and high angle wells during the Phase 1 development will continue to be considered. However, the Most Likely application would be implemented during possible future phases of development. The drilling risks for Phase 1 development are relatively low and have been mitigated by taking a conservative approach on well design. The directional plans require primarily low to moderate hole angles. The drilling fluids are proven in this area for providing very stable wellbores. Casing designs are quite conservative and will only be pushed to mitigate these risks.

The average time required to drill and suspend Phase 1 wells is estimated to be twenty-eight days, see Figure 98.



Figure 98: Days versus Depth

[Handwritten signature]

[Handwritten initials: AM # JGA]

in the future. Although riser gas-lift is currently believed to be the most effective means of artificial lift for the Jubilee Field, ongoing evaluation of other artificial lift applications, such as multi-phase subsea pumps, will continue for possible future development phases of Jubilee Field.

Sub-surface safety valves will be installed in each wellbore to provide pressure isolation and prevent pollution in the event of damage to the tree, wellhead or subsea system. Profile nipples will be installed in the tubing strings for contingency during completion operations.

Permanent downhole pressure and temperature gauges will be installed in each well above the perforated interval to provide continuous data recording during the life of the wells. The data will be transmitted back to the FPSO via umbilicals, with the data distributed for analysis. In addition, pressure and temperature will be recorded at the subsea tree. The pressure and temperature data will be vital in the ongoing reservoir management of the Jubilee Field.

13% Chrome metallurgy will be used to mitigate corrosion of wetted parts (including tree linings) in producers and gas injectors, resulting from carbon dioxide in the presence of water. Glass reinforced epoxy (GFR) lined tubing and higher chrome completion components will be used in water injection wells to mitigate corrosion.

2.6.9.5 Production Well Surveillance

Phase 1 of the Jubilee Development consists of production and injection in the UM3 and LM2 reservoirs. A critical aspect of reservoir management is the ability to allocate production between reservoirs. The current well designs incorporate downhole pressure and temperature measurement close to the producing horizon in each well. The data measured by each downhole gauge will be transmitted via the electro hydraulic umbilical back to the FPSO. The proximity of the gauges will allow calculation of reservoir parameters on an ongoing basis as the field is produced. The proximity of the downhole gauges to the perforations reduces the uncertainty of fluid gradients in the well bore and allows for a precise calculation of reservoir parameters. Additional data can be collected during interference tests and build-up testing, which occur as planned or unplanned shutdowns. The extent of reservoir continuity between wells can be established by pressure measurements in offsetting wells.

Each subsea tree will also incorporate pressure and temperature gauges. Using data collected from the measuring devices on the trees the nodal analysis models will be calibrated and aid in the determination of the optimum production or injection rate from each well. The gauges on the subsea trees can also be useful for troubleshooting purposes in the event of equipment malfunctions. In the event hydrates occur during flowing or shut in periods, the data collected from the pressure and temperature sensor can be critical in determining the optimum method to dissolve hydrate plugs.

Each producing well will be equipped with a multi-phase flow meter on the flow line jumper that connects the subsca tree to the production manifold. Data that is measured by the multi-phase meter is transmitted to the FPSO via the electro-hydraulic umbilical that connects the master control station on the FPSO to the subsca trees. The multi-phase meters will allow surveillance of each production well on an individual basis. Oil and gas from the individual wells will be commingled into common flow lines and produced back to the FPSO. Oil and gas produced from the production wells will be metered at the FPSO as total volumes. The allocation of oil and gas to each well and each reservoir will be based on measurements recorded by the multi-phase meters. The collection of data from each well and reservoir will allow for effective reservoir management and provide valuable data for the reservoir simulation to maximize the ultimate recovery of the Jubilee Field.

All the data collected by the various measurement devices in the field and any data recorded by sensors on the process system will be monitored and recorded with a central data collection system on the FPSO. Data recorded by the central data system will be transmitted via satellite to an internet based production monitoring database system (PI or similar). The use of the production database will aid in reservoir management, production allocation and allow data recorded during field production to be safely stored and archived.

The data acquisition requirements will be subject to a global review by the Unit Operator, with input from the IPT Technical Operator, to ensure all critical parameters are captured. The FPSO will have an internet based data gathering, archiving and transmitting system to shore for full partner access to datasets.

2.7 Production Forecast

2.7.1 Reservoir Management

The development plan is based on an evaluation of all available Jubilee Field data and supports the recommendation to initiate the Phase 1 development of the Jubilee Field without excluding the possibility of further development in the future.

Recovery optimization is a continuous process of integrating the existing reservoir data and new data to constantly refine the model of the reservoir. The goal of this reevaluation is to maximize ultimate recovery from Jubilee Field.

Data sources include 3D seismic, conventional cores, sidewall cores, electric logs and reservoir fluid samples. The 3D seismic data has been processed, reprocessed and calibrated with log data from the drilling program. All data were integrated to develop static models for the UM3 and LM2 reservoirs. The static models were up-scaled into

dynamic simulation models. The dynamic simulation models integrate the static models with the fluid properties and MDT pressures to develop an optimized field development plan. Similar to the static model, as additional information is obtained from both drilling and production operations, the dynamic simulation model will be updated to optimize possible future phases of Jubilee Field development.

The Q survey will serve as the baseline survey for the application of 4D seismic for future reservoir management. 4D seismic has been successfully applied in other fields to identify bypassed oil, water encroachment and areas of insufficient pressure support. This will be used to develop a focused infill drilling program, if required.

2.7.2 Maximum Efficient Rate

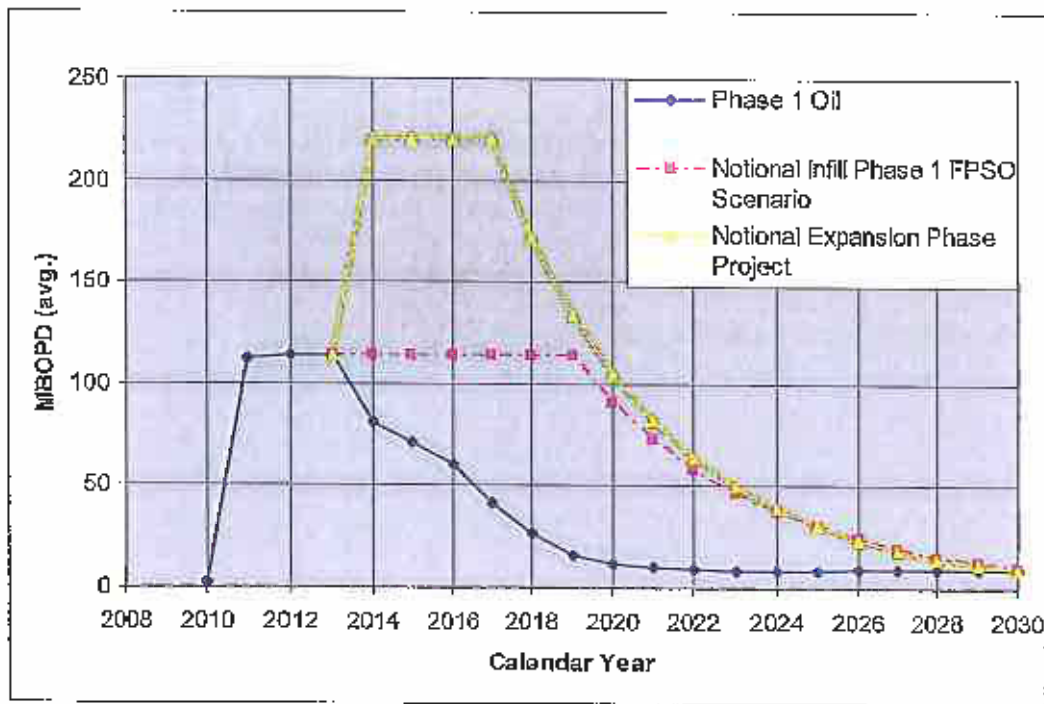
The maximum efficient rate (MER) is defined as the highest rate that can be sustained without damage to the downhole equipment or reservoir and avoids waste of reservoir energy, resulting in maximum ultimate recovery. The MER is dependent upon many factors including: reservoir properties, fluid properties, pressure maintenance effectiveness and completion type.

The initial MER will be determined using nodal analysis at acceptable pressure drawdown rates. The results of the Mahogany 2 drill stem test in the UM3 indicate that production wells will be capable of initial rates in excess of 20,000 BOPD, at total drawdown rates of less than 700 psig. Actual production rates will also be dependent upon the effectiveness of gas and water injection. The producing gas-oil ratio and average bottomhole pressure are commonly used to evaluate and refine the MER for individual wells. These parameters will be closely monitored during the production phase to optimize the MER and maximize ultimate recovery from the Jubilee Field.

AM
JWA

2.7.3 Production Forecast

Oil production, gas production, NGL production and available gas forecasts were developed for the Phase 1 development at Jubilee Field, see Figures 100 – 103. Figure 100 depicts a forecast of oil and gas production through 2030 of the Phase 1 development and two possible production forecasts for: 1) a notional infill development (new wells and/or subsea tie-ins) and 2) a notional expansion phase project. At this time, the infill and second FPSO cases have no technical basis, but are presented to illustrate potential future phases of development. This Phase 1 Development Plan makes no commitment to any potential future phases of development. The production forecast is based on well productivity estimates from nodal analysis, tuned by the drill stem test in Mahogany 2. Figure 101 depicts a forecast of gas production through 2030 of the Phase 1 development. The initial full year average production rate in 2011 from the Jubilee Field, including downtime, is estimated to be 112,000 BOPD and 113 MMSCFD (net of fuel).



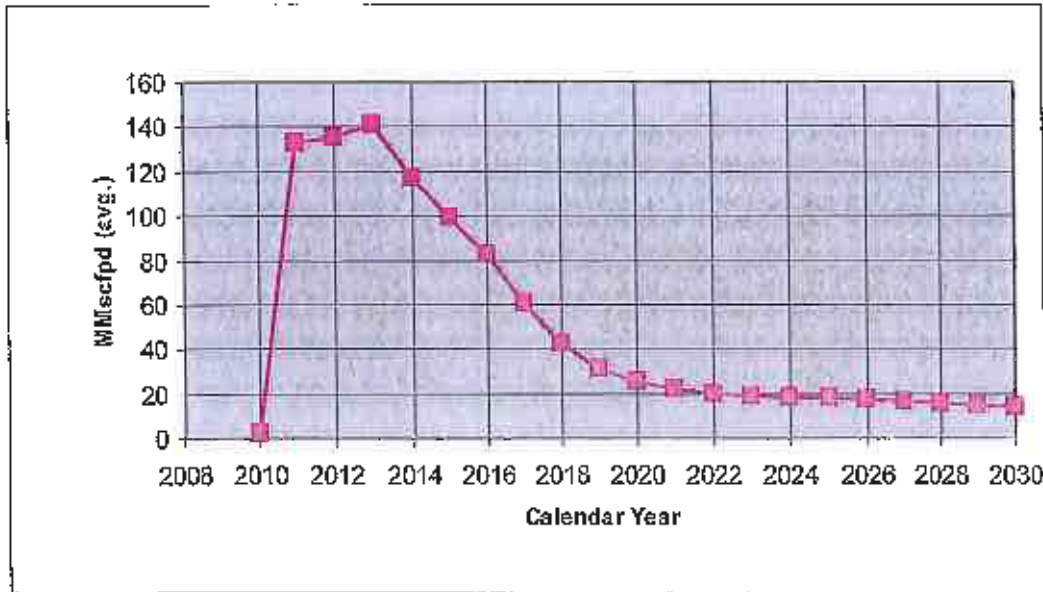
Phase 1 Oil Production Forecasts
 YEAR 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030
 KBOPD 2 112 114 114 81 71 60 41 26 16 12 10 9 9 9 9 9 9 9 9 9 9

Figure 100: Phase 1 Oil Production Forecast

This production forecast reflects the Most Likely ultimate recovery of 278 MMBO. The production forecast, reflects first oil in 2010 and incorporates a percentage uptime of 90% for 2010 and 95% thereafter. These uptime percentage values are based on industry experience with similar subsea developments in West Africa and the GOM.

[Handwritten signature]

[Handwritten initials: AM, F, JTS]



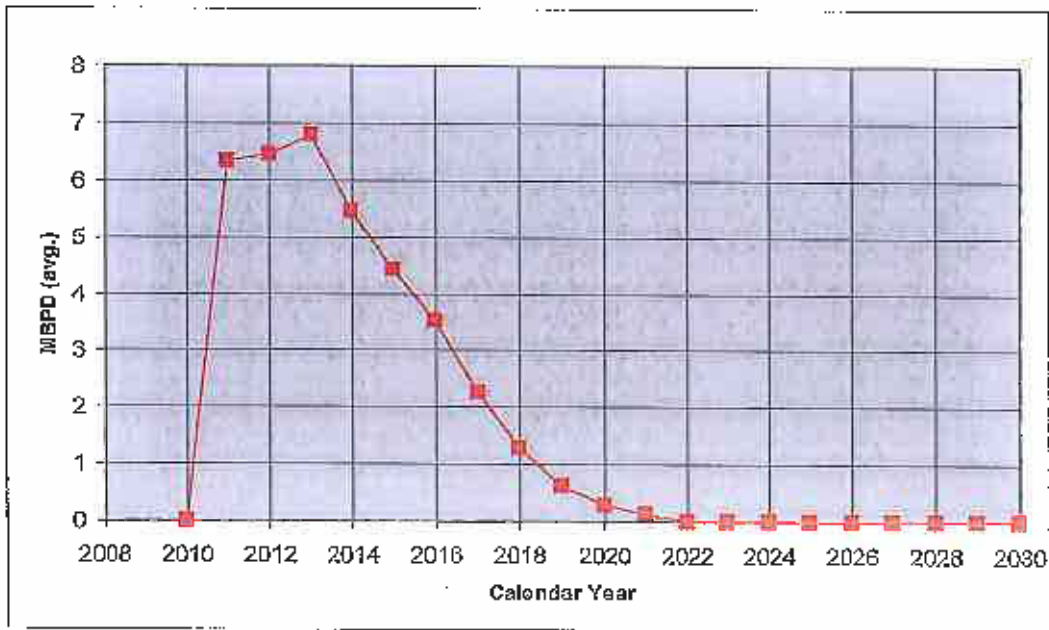
Phase 1 Gas Production Forecast

YEAR	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
MMCFD	2	139	136	141	110	99	83	80	43	31	25	22	20	19	18	18	17	16	15	14	14

Figure 101: Phase 1 Gas Production Forecast

Handwritten signature

Handwritten initials: AM, JTA



Phase 1 NGL Production Forecast

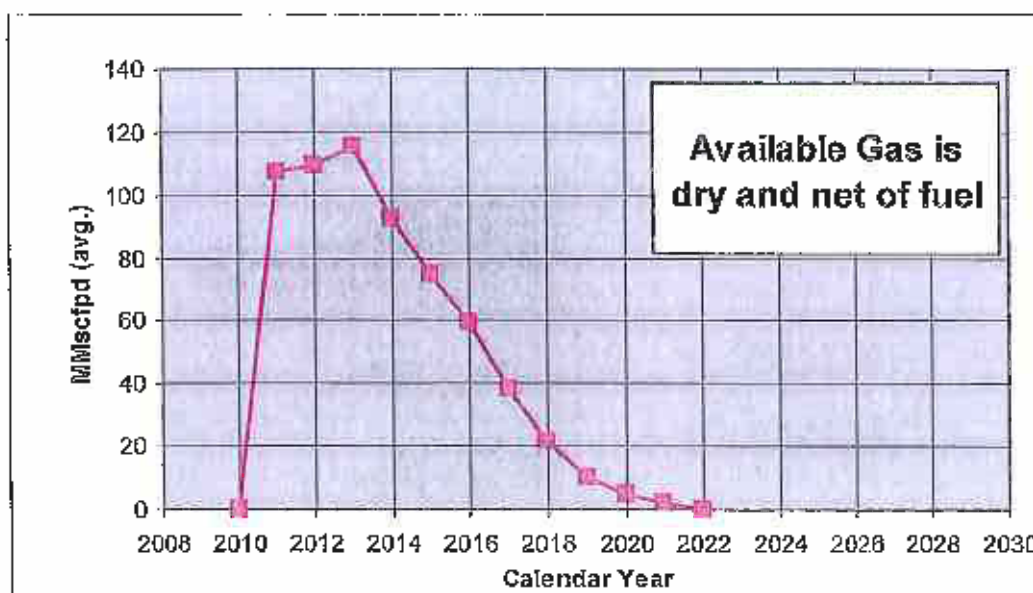
YEAR	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
KBO/D	0.0	6.3	6.5	6.8	5.5	4.4	3.5	2.3	1.3	0.6	0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Figure 102: Phase 1 NGL Production Forecast

Figure 102 depicts the Phase 1 NGL production forecast and assumes a liquid yield of 80 Bbls/MMSCF.

[Handwritten signature]

[Handwritten initials]



Phase 1 Available Gas Forecast

YEAR	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
MMCFD	0	107	110	115	93	75	60	38	22	10	5	2	0	0	0	0	0	0	0	0	0	0

Figure 103: Phase 1 Available Gas Forecast

Figure 103 depicts the Phase 1 Available Gas Forecast and is dry and net of fuel, assumed to be 20 MMSCFD.

2.8 Subsurface Uncertainties

Reservoir compartmentalization, fluid quality, reservoir quality, aquifer strength and pressure maintenance efficiency are viewed as the greatest subsurface uncertainties. The degree of reservoir compartmentalization will determine the ultimate well density, well placement and producer to injector ratio. Fluid quality, particularly in regards to asphaltene plugging, and reservoir quality in regards to adverse diagenetic effects or low net-to-gross could adversely affect productivity and injectivity. In addition, the degree of aquifer support is unknown at this time. A strong aquifer in conjunction with favorable reservoir continuity would result in a reduction in the number of water injection wells required in possible subsequent phases of development. Any potential future drilling programs could aim to reduce reservoir compartmentalization and reservoir quality uncertainties. Acquisition of core and asphaltene flocculation testing will reduce the uncertainty associated with fluid quality. In addition, dynamic production and pressure acquisition is a key factor and will be obtained through drill stem and interference testing. Finally, one of the primary goals of the Phase 1 development is to provide early dynamic production and injection information to mitigate these uncertainties and frame possible

[Handwritten signature]

[Handwritten initials: JM, JTA]

future phases of development in Jubilee Field. A summary of the key subsurface uncertainties, risks and mitigation actions is shown in Figure 104.

Uncertainty	Risks	Mitigation
Reservoir Compartmentalization	<ul style="list-style-type: none"> - Sub-seismic scale features / faults - Sandbody continuity and extent 	<ul style="list-style-type: none"> - Detailed seismic mapping - Geochemical stratigraphic studies - Development drilling program - Acquisition of dynamic production / pressure data from DSTs, interference testing and Phase 1 start-up - Phase 1 subsea system can accommodate up to fifteen additional wells
Fluid Quality	<ul style="list-style-type: none"> - Asphaltene plugging 	<ul style="list-style-type: none"> - Acquisition of core material - Asphaltene flocculation testing - Reservoir management
Reservoir Quality	<ul style="list-style-type: none"> - Adverse Diagenetic effect - Low NAG 	<ul style="list-style-type: none"> - Petrographic studies - Seismic attribute calibration - Acquisition of core material - Development drilling program
Aquifer Strength	<ul style="list-style-type: none"> - Aquifer support is greater than expected 	<ul style="list-style-type: none"> - Acquisition of dynamic production / pressure data to reduce injection well requirements in future phases.
Gas/Water Injection Efficiency	<ul style="list-style-type: none"> - Injectivity - Reservoir compartmentalization 	<ul style="list-style-type: none"> - Perform water injectivity test - Re-locate wells / sidetrack - Acquisition of dynamic production / pressure data from DSTs, interference testing and Phase 1 start-up

Figure 104: Subsurface Uncertainties

3.0 FACILITIES AND EQUIPMENT

3.1 Recommended Approach and Alternatives Considered

The Phase 1 development is planned to be implemented using field proven, subsea production and control systems that will be tied back to a turret moored Floating Production Storage and Offloading (FPSO) facility, see Figure 105. Several factors have led to a subsea solution for the Phase 1 development including remote location, water depth, depth of the reservoir below the mud line and areal extent of the Jubilee Field.

The Jubilee Field is remote from major oil refining centers, therefore, oil storage is required in the field area. The most cost effective and field proven means of providing the required storage is via an FPSO. Oil can then be lifted in parcels from the FPSO to trading tankers for transportation to market. In order to provide sufficient storage capacity margin given the field production rates contemplated in Phase 1, it was determined that a Very Large Crude Carrier (VLCC) with storage of 1.5 - 2.2 MMBO should be utilized.

The FPSO has a large, load-bearing deck space and provides a relatively stable platform. Production facilities can be placed on the deck by converting the moored tanker into an

FPSO vessel. By combining the oil storage and production facilities on a single vessel, the FPSO provides a cost-effective hub for deep water development operations. This

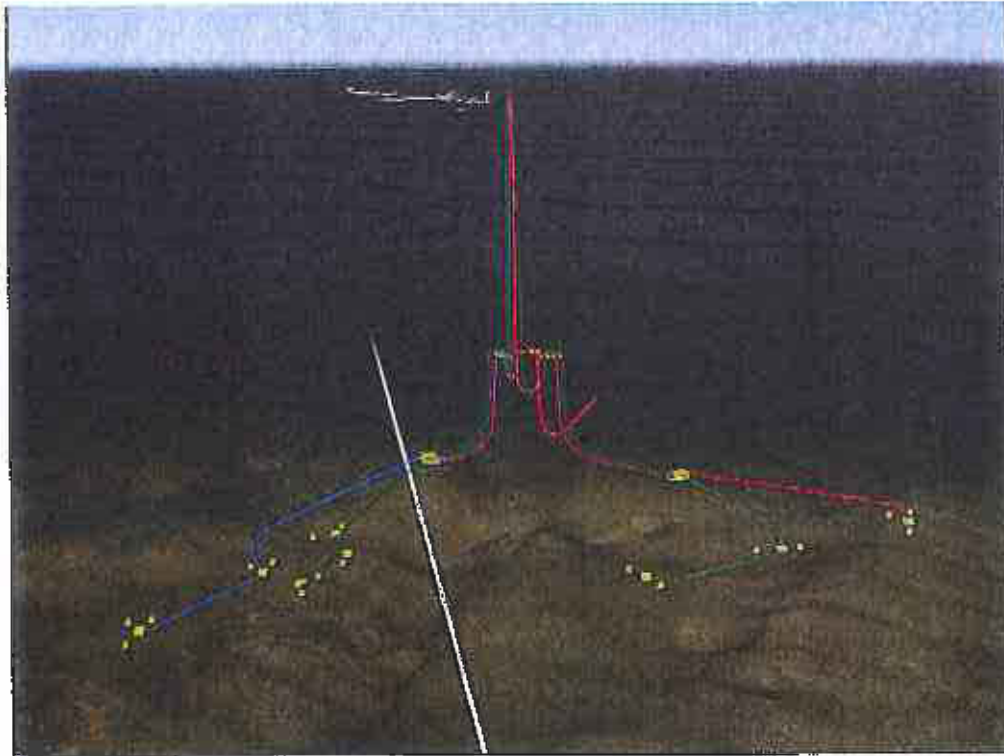


Figure 105: FPSO and Subsea Architecture Schematic

development solution has been employed extensively in offshore projects worldwide. A further advantage of an FPSO conversion versus other development schemes (e.g. new build FPSO or deepwater compliant or floating structures) is that the work can be accomplished in a significantly shorter time frame, reducing the time to first oil, a primary development driver. Therefore the FPSO conversion was the only development option considered.

A subsea production system was selected for the Phase 1 development. Such a system allows production to be gathered from wells on the seafloor drilled directionally in clusters and tied back to the FPSO via flowlines and risers. The subsea system has several advantages for Jubilee Field development over surface well supporting alternatives (such as TLPs, spars, etc) including:

[Handwritten signature]

[Handwritten initials]

- Relatively shallow reservoirs below the mudline result in limited areal coverage from a central location
- Greater flexibility to respond to potential changes caused by initiating a fast-track development based upon a very limited subsurface data set
- Lower anticipated cost
- Reduced concentration risk of catastrophic failure, since subsea design is spread out
- Shorter time to first oil

3.2 Subsea System

3.2.1 Design Philosophy

Challenges resulting from field location, seabed conditions, reservoir conditions and the potential size of the field have resulted in a system design which places emphasis on flexibility, expandability, minimized flowline routes and minimized seabed canyon crossings. The fast-track nature of the project requires a system that can be adapted to changing conditions. The subsea components were designed to allow additional manifolds, flowlines and single well tie-backs to be added to Phase 1 infrastructure to accommodate additional expansion to the west or greater well density in the Phase 1 area. The system was designed to allow the east side infrastructure to be diverted to additional infrastructure, such as a future, second FPSO. The two riser bases also can accommodate two additional production flowlines and two additional risers which could accept production from Jubilee or other developments. Each of these characteristics contribute to the flexibility and expandability of this subsea system.

The cold seabed temperature and normal reservoir pressure gradient have required close scrutiny to minimize flow assurance issues. Flowline lengths and diameters have been verified for flow assurance considerations such as pressure loss, cool down and arrival temperatures. Preliminary surveys of the seabed canyons have highlighted the potential for active currents and recent erosion events. Therefore, the proposed subsea design has minimized canyon crossings to avoid excessive currents, scouring and the potential for flowline movement. The proposed FPSO location will access both east and west sides of the field. The FPSO mooring through the turret will allow the FPSO to weathervane into the most favorable metocean conditions for vessel motions and offloading of stored crude. Similarly, the riser base locations and riser catenaries have been designed such that seabed touchdown locations will be on either side of the central canyon and allow production gathering from either side.

The subsea system was based on the Intec Subsea Design Basis, Jubilee Document #10-01-INT-X02-00009. This document also contains a comprehensive list of the international standards and specifications used to guide this design effort.

[Handwritten signature]

[Handwritten initials: AM, JA]

3.2.2 Seabed Layout

The Phase 1 development subsea layout is depicted in Figure 106 and includes eight, four-well manifolds. Three production drill centers (P1, P2 and P3), located on the west side of the seabed canyon will accommodate up to twelve production wells. The Phase 1 development plan includes five production wells on the west side, allowing for the possible addition of seven future production wells. Two water injection drill centers are also located on the west side and will accommodate up to eight water injection wells. WI1 will target the UM3 reservoir and WI2 will target the LM2 reservoir. The Phase 1 development plan includes five water injection wells on the west side, allowing for the possible addition of three future water injection wells. Two production drill centers will be located on the east side of the seabed canyon, each equipped with four-well manifolds, able to accommodate up to eight production wells. One east side drill center (P5) will be located adjacent to the Mahogany 1 and accommodate the four east side Phase 1 production wells. The other drill center (P4), located at an intermediate point between the FPSO and P5, will accommodate up to four additional future production wells. The remaining east side drill center (GI1) will accommodate three Phase 1 gas injection wells and will be capable of accommodating one additional gas injection well. All subsea wells will be accessible for future interventions with floating drilling rigs.

esd

JM *JJA*

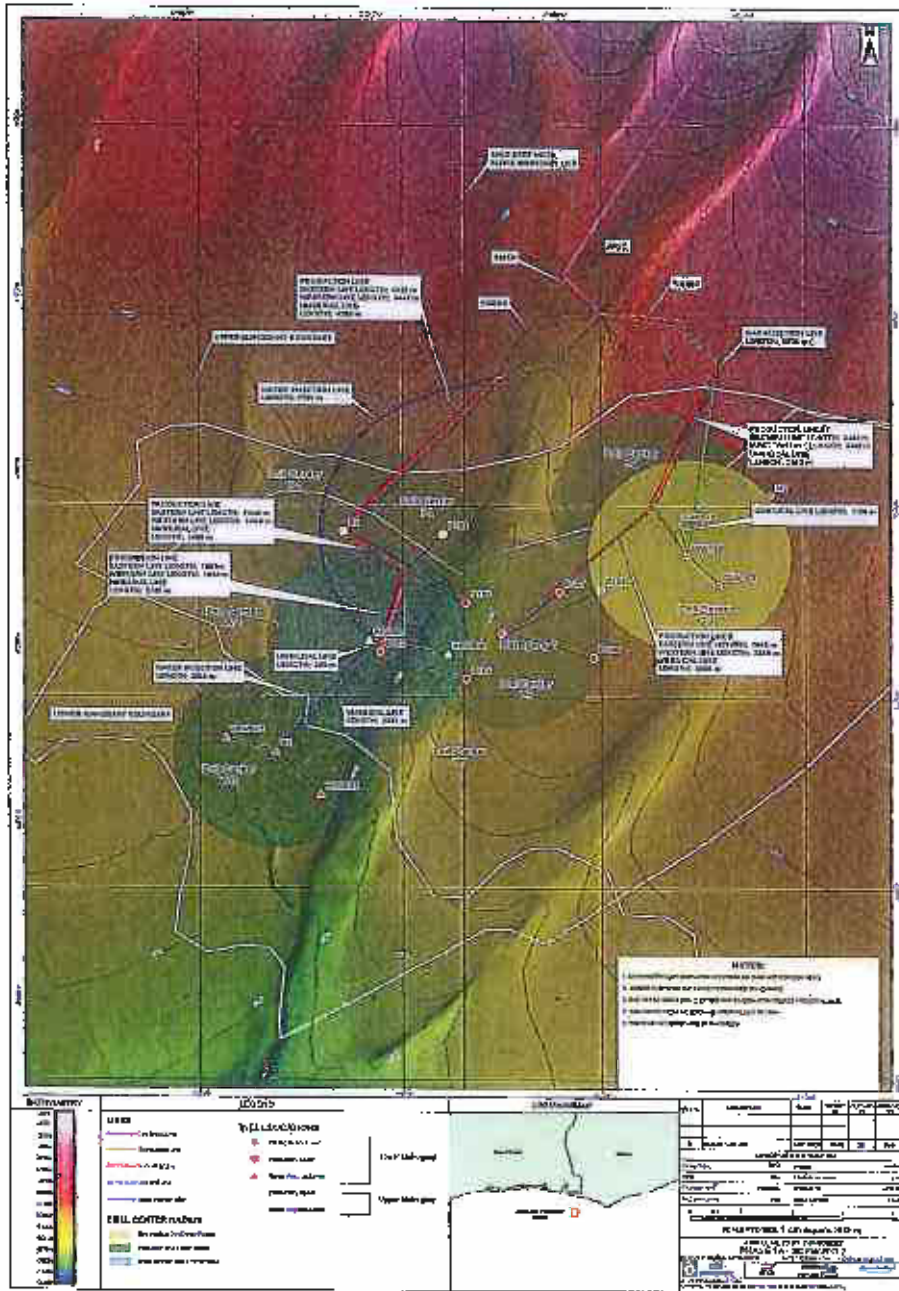


Figure 106: Subsea Layout

Handwritten signature

Handwritten initials: AMM & JJA

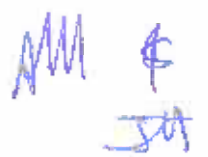
3.2.3 Production Wells

All production wells in Phase 1 will be drilled from five drill centers with a moored or dynamically positioned drilling rig. After installation of the subsea flowlines and other equipment, a dynamically positioned drilling vessel will be required at most locations to avoid mooring interference with the seabed infrastructure. Each production drill center will have a production manifold with connection hubs for up to four wells. The wells will be tied back to the subsea manifolds with rigid, insulated jumpers. Dual insulated flowlines will carry production to intermediate production manifolds and then to riser bases located in close proximity to the FPSO, and finally through flexible risers to the FPSO.

3.2.3.1 Production Manifolds

Production manifolds will be installed on the seafloor as a gathering point for produced oil, gas and water from the individual production wells. The manifolds will be supported by mud mats on the seafloor unless soil conditions dictate the use of suction piles to provide additional support. A vertical connection system with integral connection tooling will be used on the 5" rigid jumpers to connect production wells to the manifold. Each rigid jumper will contain a multi-phase flowmeter to monitor the flow from each production well.

Hydraulically operated 5" isolation valves (two per well, eight per manifold) will be installed in parallel on the manifold immediately upstream of the 12" OD main flowline. Manifolds will be configured for flow through two, 12" OD flowlines to the FPSO. Four hydraulically operated 10" isolation valves, along with interconnecting piping from the individual wells, will allow production from any well to be directed to either flowline. Production from the wells can be commingled or isolated for individual well testing purposes or to segregate wells of different pressure regimes. Removable pigging loops will be installed at the furthest production manifold to facilitate round trip pigging, flowline displacement and installation of additional downstream flowlines and manifolds, if needed in the future. The Phase 1 development P&ID shown in Figure 107, illustrates the system piping from the FPSO to the individual production wells.



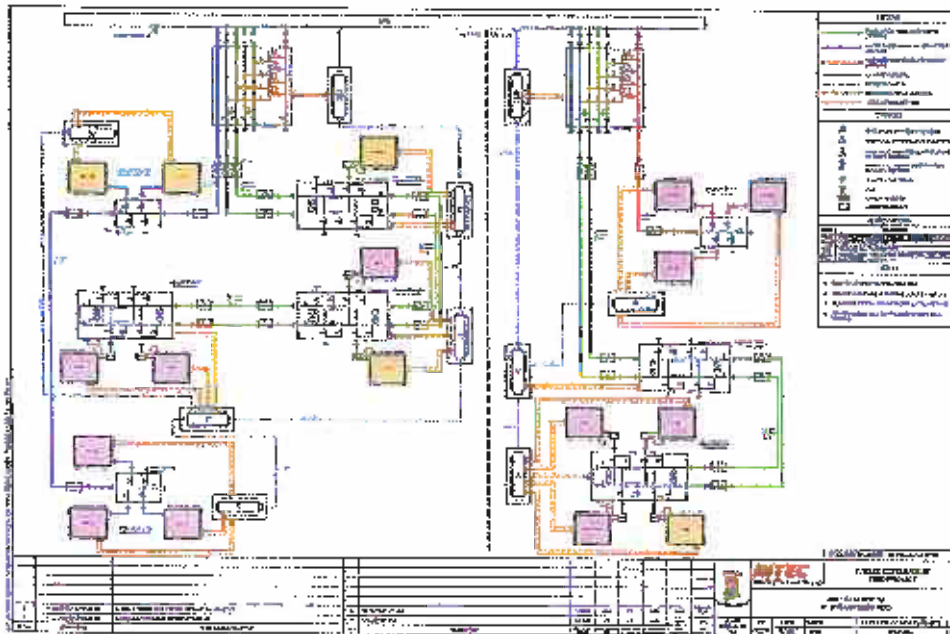


Figure 107: Subsea System P&ID

3.2.3.2 Production Trees

Production from individual wells will be controlled by subsea Christmas trees connected to the 18-3/4" DrillQuip wellhead, using a hydraulically operated connection system. All production well trees will be 5" x 2", 10,000 psi, 250° F, FMC Technologies enhanced horizontal subsea trees, see Figure 108. The production bore will be 5-1/8". Two penetrations through the tubing hanger will allow control of a surface controlled subsurface safety valve (SCSSV) and two penetrations will allow for downhole chemical injection. Additional chemical injection points will be located upstream and downstream of the production wing valve, and downstream of the production isolation valve. Pressure and temperature monitoring will be provided through downhole measurement and with two transducers mounted on the production loop and one transducer on the annulus loop. Acoustic sand detection will be integral to a pressure-temperature transducer located downstream of the hydraulically operated production choke. The subsea trees will have free mounted subsea control modules (SCM) installed that will be controlled through the subsea control system.

EST

AMM
F
JTA

- FF Prod, EE Annulus, PSL 3G
- 5'-10K Aker Solutions Vertical Connection Modules
- 18 3/4"-15K Torus IV connector for H4 wellhead profile (DQ)
- 2 CID, 2 SV's, 1 DHPT
- 1 CIT between PMV & PWV, 1 between Choke and PIV, and 1 between PIV and Hub
- 3 sensors:
1 Annulus PT
1 Production upstream PT
1 Production downstream PT with intrusive sand detector
- Silicon based Novolastic™ insulation
- Qty 2 dual core chemical metering valves

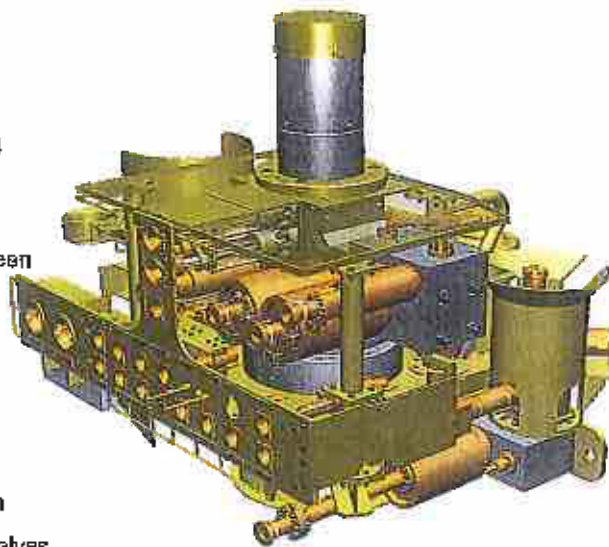


Figure 108: FMC Production Tree

3.2.3.3 Artificial Lift

Nodal analysis was performed to model well performance both at field start-up and later in field life, when water production rates increase. Due to the high gas-oil ratio in Jubilee Field reservoirs, artificial lift will not be required at field start-up. Later in field life, when the water cut increases, production rates will be enhanced by reducing the hydrostatic pressure of the producing column, through the injection of gas-lift gas. This reduction in hydrostatic pressure will allow wells to be produced at higher water cut limits, increasing the ultimate recovery.

One method of introducing gas-lift gas is through downhole gas-lift valves. Downhole gas-lift valves are unreliable and require an expensive rig intervention to be replaced. In addition, downhole gas-lift requires an extensive gas distribution system and individual gas-lift lines at each production well. Riser gas-lift, another method of reducing the hydrostatic pressure, was confirmed with nodal analysis. Riser gas-lift results in a simplified and more reliable system than downhole gas-lift. In addition, gas injection at the riser base eliminates the possibility of gas flowing over liquids in inclined flowlines, resulting in fluid slugging. Although riser gas-lift is currently believed to be the most effective means of artificial lift for the Phase 1 development at Jubilee Field, additional work will be conducted to evaluate other artificial lift applications for possible future phases, such as multi-phase subsea pumps.

Handwritten signature in blue ink.

Handwritten initials and symbols in blue ink: SM, \$, JA.

3.2.3.4 Flowlines and Risers

Flowlines

Phase 1 development flowlines will carry multi-phase and commingled wellstreams from the individual wells and manifolds. Dual 12" OD, insulated carbon steel production flowlines will extend to all production manifolds in series and convey the wellstreams to riser bases located in close proximity to the FPSO. Single un-insulated carbon steel flowlines will carry gas and water for injection to injection manifolds and the individual injection wells. The gas injection and water injection lines will be 10" OD and 12" OD, respectively.

The produced wellstream fluids are considered sweet and only minimally corrosive (see table below.) Sour service is not considered in the flowline design as the reservoir contains no H₂S and the injection water will be treated to remove sulfates. All flowlines and piping will be API 5L Grade X65 carbon steel with appropriate corrosion allowances as determined through standard industry practices. Corrosion protection will be provided by external coatings in combination with sacrificial anodes. All valves will be carbon steel with corrosion resistant alloy (CRA) clad seating surfaces.

Projected Wellstream Fluids (based on Mahogany 1 UMPV1)				
CO ₂	H ₂ S	Water salinity	Wax Content	Asphaltenes
0.39 wt %	0.0 wt %	<2 wt %	4 to 12 wt%	0 to 0.1%

Riser Bases

Riser bases will be installed on the east and west side of the FPSO, supported by suction piles. A vertical connection system with integral connection tooling will be used to connect the 10" ID production risers and the 8" ID gas injection riser to the FPSO turret and to connect the two 12" OD production lines and gas injection line via rigid flowline jumpers. Two additional future flowlines can be tied-in to each riser base which provides future expansion capability. Cross-over piping from the gas injection piping to the production piping using choke valves and control valves will accommodate potential need for gas lift to enhance the hydrocarbon flow to the FPSO.

Risers

All flowlines will be connected to the FPSO by means of flexible risers. The flexible risers will contain an internal carcass made from CRA material. Flexible risers will have buoyancy modules installed to develop the optimum catenary in a lazy wave or pliant wave configuration. The flexible risers will be installed in the field, after FPSO installation.

3.2.3.5 Subsea Controls and Umbilicals

All subsea hydraulically operated valves will be actuated using an FMC Technologies electro-hydraulic subsea control system. Hydraulic power, electrical power, communication signal and production chemicals will be supplied and distributed from the FPSO Subsea Control System through intermediate Subsea Distribution Units (SDUs). The SDUs will be mounted on the seabed in close proximity to the manifolds. Electric and hydraulic flying leads will connect the SDUs to the subsea trees and manifolds.

Umbilicals will be used to convey multiple chemical supply lines, low and high pressure hydraulic supply and pressure, temperature and communication data and subsea electronics electrical power. Dynamic umbilical sections will connect at the FPSO turret and riser bases; and, static umbilical sections will connect the riser bases to the SDUs.

3.2.4 Injection Wells (Gas and Water)

All injection wells in the Phase 1 development will be drilled from three drill centers as shown on the layout with a moored or dynamically positioned drilling rig. After installation of the subsea flowlines and other equipment, a dynamically positioned drilling vessel will be required at most locations to avoid mooring interference with the seabed infrastructure. Each water injection drill center will have a water injection manifold with connection hubs for up to four wells. The injection wells will be tied-back to the injection manifolds with rigid jumpers. Single flexible risers will be installed from the FPSO turret to each riser base on the east and west sides. A single 12" OD flowline will carry water on the west side to an intermediate water injection manifold and then to the outlying, water injection manifold. Biocide treatment and oxygen limitation will be applied to the water injection process to control bacteria and corrosion. Gas injection will leave the FPSO through a single 8" NB flexible riser to the east riser base. A 10" OD single steel flowline will then transport the gas to a four-well gas injection manifold. Gas injection is planned for the updip area to the east side. Although no gas injection is planned for the west side in the Phase 1 development, the riser base will be equipped for future gas injection expansion.

3.2.4.1 Injection Manifolds

Gas and water injection manifolds will be installed on the seafloor as a distribution point for injected gas and water to the individual injection wells. The manifolds will be supported by mud mats on the seafloor unless soil conditions dictate the use of suction piles to provide additional support. A vertical connection system with integral connection tooling will be used on the 5" rigid jumpers to connect injection wells to the manifold. Hydraulically operated, 5" isolation valves (one per well, four per manifold) will be installed on the manifold immediately downstream of the 12" OD main injection line. The Phase 1 development P&ID is shown in Figure 107 and illustrates the system piping from the FPSO to the individual injection wells.

ETA

AMM
JA

3.2.4.2 Injection Trees

All injection well trees will be 5" x 2", 10,000 psi WP, FMC Technologies enhanced horizontal subsea trees, mounted atop subsea wellheads in a similar manner to production trees, see Figure 109. Gas injection trees will be similar to the production trees equipped with a modified choke design.

- GI: FF Prod, EE Annulus, PSL 3G
- WI: HH Prod, EE Annulus, PSL 3G
- 5"-10K Aker Solutions Vertical Connection Modules
- 18 3/4"-15K Torus IV connector for H4 wellhead profile (DQ)
- 2 SV's, 1 DHPT
- 1 CIT between PMV & PWV
- 3 sensors:
 - 1 Annulus PT
 - 1 Production upstream PT
 - 1 Production downstream PT
- No PIV, metering valves, or insulation

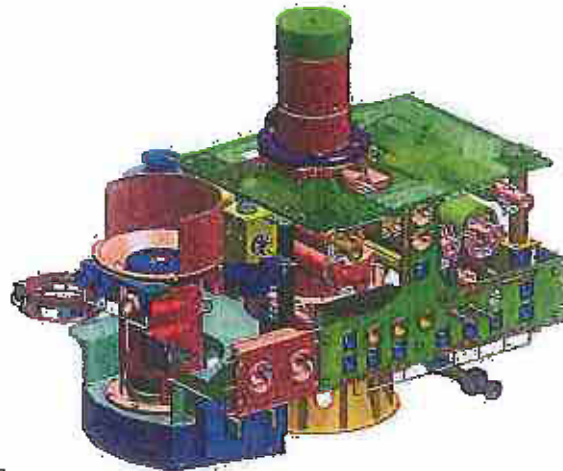


Figure 109: FMC Injection Tree

3.2.4.3 Flowlines, Risers and Umbilicals

Phase 1 development injection lines will carry conditioned seawater from the water injection skid on the FPSO and wet gas from the production separators to the individual water and gas injection manifolds. Water injection will be through single 12" OD, un-insulated steel flowlines from the FPSO to an intermediate water injection manifold and then to the outlying manifold. Single 10" OD, un-insulated steel flowlines will carry gas to the gas injection manifold.

Flexible risers will connect the individual lines at the riser base to the FPSO connection through the turret. Risers will have buoyancy modules installed to develop the optimum catenary in a lazy wave or lazy "S" configuration. The risers will be installed in the field after FPSO installation. Umbilicals will be used to convey chemical, pressure and temperature data and allow hydraulic manipulation of chokes and tree valves.

208

JM #
JA

3.3 Topsides Equipment

3.3.1 FPSO

The Phase 1 development will utilize a Floating Production Storage and Offloading Facility (FPSO) permanently moored as the main production and storage facility. The mooring and offloading system will be a Single Point Mooring (SPM) system with tandem offloading. The SPM system will be designed to allow the FPSO to freely weathervane 360 degrees around the SPM vertical axis, to align itself with the prevailing wind, wave and current conditions. The SPM will consist of a turret which functions as the mechanism for connecting the mooring lines to the FPSO and allowing the ship to rotate about the mooring center. The risers which bring the subsea production to the FPSO will be supported in the ship by the turret. A schematic of the FPSO and subsea architecture is shown in Figure 105. Details regarding the FPSO design can be found in the MODEC FPSO Technical Description, Jubilee Project Document # 10-01-MOD-L02-00010.

The FPSO will be designed for the site specific environmental conditions at Jubilee Field, representing the worst expected combination of environmental conditions corresponding to a return period of 100 years. The FPSO will be designed to withstand environmental conditions for the specified transit route, from the construction yard to the Jubilee Field. The FPSO stability analysis will comply with the Classification Society and/or Flag State rules.

The FPSO will be designed and constructed in accordance with the Jubilee Field Integrated Project Team (IPT) functional specification and associated documents with regard to design life, strength, stability and will take account of vessel operability and habitability as applicable considering all appropriate transportation, installation, installed and through life design conditions. Special attention will be paid to structural details with regard to service life including corrosion resistance and fatigue endurance. Also vessel motions and accelerations will be carefully scrutinized with regards to impact on process plant operability and vessel habitability.

There is a Jubilee Project requirement to conduct HAZIDs, HAZOPs and other Formal Safety Assessments and these are planned for in the appropriate sequence and at the relevant design development step. The other two strategies applied to the FPSO design include Classification of the FPSO and the Safety Case requirement. Classification ensures review and verification of the design of safety and core systems. The Safety Case develops a list of design reviews, which are subsequently referred to as FSAs (Formal Safety Assessments). In addition to standard design process, certain systems and equipment will be singled out for additional reviews (for example certain safeguards have been identified, through HAZOP, for SIL identification and verification; as have certain systems been identified for Failure Mode Analysis)



The need for design reviews orientated toward design efficiency, value engineering etc, has been somewhat mitigated with the FPSO selection strategy being premised on receiving a "tried and tested" or cloned design. The FPSO is an engineered solution and therefore while it is not an exact clone, many of the modules are direct copies of previously engineered and built systems. These modules have been deployed previously for sister ships in the MODEC fleet with companies such as BP and Petrobras and have been vetted through each of these Company's evaluation systems. There are formal reviews to ensure that the design is both safe and operable, such reviews are the HAZOPs and HAZID. There is also a Management of Change process which is adhered to by MODEC, which assures changes have a design review.

The FPSO topsides with equipment, piping systems, and vessels will be designed for minimum 20 years of continuous operation with normal inspection, maintenance and replacement routines. All static parts, such as support structures, piping, tanks and vessels, etc. should be designed without any need for replacement. In cases where this is not achievable, the FPSO subcontractor shall present the case for discussion.

The FPSO hull structure will be designed and modified for a minimum service life of twenty (20) years on location, without the need for dry-docking while maintaining full operability. Necessary inspection, maintenance, and repair shall be carried out on location. Classification will be obtained such that all Class certificates are valid on departure from the conversion yard and that the next special survey is due within five years from the date of departure from the conversion yard. The vessel will carry an ABS classification that is the equivalent to the following:

- A1 Floating Production and Offloading System (FPSO), RFL (20) 2029 (Field Name), Offshore (country)
- This Classification will comply with relevant requirements of the American Bureau of Shipping (ABS) and the classification will cover the following:
 - Vessel, including Structure, Equipment and Marine Systems (inclusive of Helideck and Cranes)
 - Turret or spread mooring, including Structure, Riser Systems, Mooring Systems

The FPSO facility topsides will be designed to achieve a minimum of 95% availability for service on the Jubilee Field. Availability includes planned maintenance at 100% available production. The FPSO facility water injection system will be designed to achieve 95% availability based on annual volumes of injected water. Additionally the FPSO will store at least 1.6 million barrels (excluding stop tanks, off-spec tank, and methanol) and will be able to off-load a one million barrel parcel in 20 hours. The FPSO will carry the Flag of a reputable Flag State; this will ensure that the vessel meets the internationally recognised safety and pollution conventions/regulations of bodies such as IMO (a UN body) and specifically its Marine Environment Protection Committee (MEPC). The selection of Flag State has significant implications to ensuring quality design of the FPSO. The FPSO subcontractor MODEC Inc. operates under the Bahamas

Maritime Authority typically in its world-wide operations of over 20 FPSO/FSU's. This ensures implementation of international conventions and practices (e.g. MARPOL). It also ensures that the implementation of the conventions/regulations is verified throughout the FPSO's design and operation by a classification society; as will be carried out throughout field life at Jubilee.

The FPSO will be designed in accordance with the most recent revisions of all applicable national and international maritime conventions, acts, codes, rules and regulations. The FPSO will have an initial capacity to process up to 120,000 BOPD, 160 MMSCFD, 80,000 BWPD, and handle up to 160,000 DLPD. It will also have the capability to provide 232,000 BWPD of water injection and 160 MMSCFD of gas injection to the field. The storage capacity of the FPSO will be approximately 1.6 MMBO minimum. The chosen FPSO subcontractor, MODEC, has already acquired a designated tanker vessel for conversion to an FPSO. The originally named tanker, the Ohdoh, has been selected for conversion to meet the processing capacity requirements and schedule of the Jubilee Field. Gas required for riser gas-lift will be siphoned off of the gas injection pipeline subsea. The 160 MMSCFD gas handling capacity considers both produced associated gas and any recycled gas from gas lift.

3.3.1.1 Station Keeping

The heart of the single point mooring (SPM) station-keeping system is the turret mooring system where the mooring lines and risers reach up from the sea floor and connect to the FPSO. The proposed location of the FPSO is north of the north edge of the Jubilee Field development, and sits directly atop of one of the primary seabed channels that cut through the development area. The water depth at this location is approximately 1,100 meters. The design will satisfy all the requirements of the selected Classification Society. The SPM system is an external bow-mounted Turret designed to allow the FPSO to weathervane about the mooring. Vessel particulars used in the mooring analysis were provided by MODEC, and were based on MODEC's candidate tanker, the Ohdoh. In the offloading condition, the mooring system will be capable of withstanding the loads from the FPSO, as well as withstanding the loads imposed by a shuttle tanker while tandem-moored. The design life of the Turret and major structural components is twenty years. The Turret will be designed to accommodate fourteen flexible risers and three umbilicals. Six risers are production lines, two risers will provide gas injection, two risers will provide gas export, and two risers will provide water injection. The umbilicals will provide electrical power cabling and hydraulic control lines. Two risers are designated for future expansion as production or water injection risers. The risers are connected to two riser bases at the seabed. Installation of the anchor legs and risers and re-tensioning of anchor legs will be accomplished with the pull-in winch.

3.3.1.2 Mooring System

The proposed taut-leg mooring system is designed to keep the FPSO vessel on station while permanently moored in water depth of approximately 1,100 meters

esdr

AM
JSA

at the Jubilee Field Phase 1 development. The design life of the mooring system is twenty years. The mooring system will consist of approximately nine anchor legs in a 3 x 3 arrangement, where the groups are 120° apart. Each anchor leg is composed of a combination of studless chain and polyester rope with a total length of about 1900 m for each leg. Vertically loaded plate anchors (VLA) or suction piles will be used at the termination of each anchor chain leg, with the final determination being made during the detailed design phase depending on the final geotechnical data for the site and the optimization of the installation program. The anchor leg system has been designed to require minimal maintenance over the life of the installation once it has been installed and tensioned to the design pre-tension. The anchor legs are designed to have adequate wear and corrosion allowance and fatigue life for twenty years. The mooring system is designed to ensure that the maximum vessel offset is 5% of water depth with all mooring components intact and 6.0% of water depth with one mooring line failed.

3.3.1.3 Riser Connections

The FPSO turret has been designed to accommodate the following riser requirements:

- Six 10" ID production risers
- Two 10" ID gas export risers
- Two 8" ID gas injection risers
- Two 10" ID future production or water injection risers
- One 10" ID water injection riser
- Three 8" OD umbilicals

The risers may have a one-time pull in weight during installation of up to 350 metric tons and the FPSO will have a fixed facility able to pull in and land the risers.

The system will initially have four 10" ID production risers, one 10" ID water injection riser, one 10" ID export riser, and two 8" gas injection risers installed plus two umbilicals. Thus there is capability in the future to install up to five risers. It should be noted that installation of the risers must also consider possible limitations for integration into the swivel stack due to limited flowpaths and potential weight restrictions due to limits on the turret bearing system.

3.3.1.4 Hull Structure and Accommodation

The tanker selected for conversion to an FPSO is designated as a VLCC (Very Large Crude Carrier). Its existing structural scantlings and layout are designed in accordance with typical oil tanker building industry practice. The principal hull dimensions and tonnage for the tanker are shown in Figure 1.10.

AMM &
JH

Hull repair and life extension will be carried out in compliance with Classification Society (CS) requirements on the following basis noted below.

- A single hull tanker will be converted to an FPSO for the Ghana environment. The FPSO will be named in the future.
- Adequate scantling for permanent mooring and continuous operating at specific site
- Adequate scantling for transit voyage to in-situ at specific seasonal environment
- FPSO service fatigue life of 20 years considering prior service
- Steel renewal criteria will be based on 20 years design life requirements and in accordance with Class requirements
- Classification Society FPSO and steel vessel rules (ABS)

Tanker Original Name	Ohdoh (ex 'Toldoh)
Type	External Turret Moored FPSO
Built	1991
Builder	Mitsui Eng. Shipbuilding Co. Ltd, Chiba
Conversion Yard	Jurong Shipyard Limited, Singapore
Current Class / Converted Class	NK/ ABS
LOA (m)	330
Bmld (m)	59
Dmld (m)	29.7
Draft (Design) (m)	19.7
Deadweight (MT)	261,212
CO / Slop Tank Capacity (100%) (M3)	316,579.0
FO Tank Capacity (100%) (M3)	4,655.4
DO Tank Capacity (100%) (M3)	328.0
LO Tank Capacity (100%) (M3)	333.3
FW Tank Capacity (100%) (M3)	616.3

Figure 110: FPSO Hull Dimensions and Tonnage

A maximum crewing level of 120 personnel (100 Permanent, 20 Temporary) is planned to be accommodated onboard the FPSO during operations. The accommodation structure will be refurbished and extended from existing to allow for habitation by up to 120 persons. All materials and equipment used will, as a minimum, be in accordance with SOLAS requirements and will be similar to existing items in appearance and quality. All cabins and offices will be furnished in a manner consistent with modern, offshore

operating practice and suitable for a future 20 year field life. The arrangement of the living quarters, location of cabins, public rooms, stores, the purpose they are intended for and materials used will be built to meet the rules and requirements of applicable Authorities regarding fire resistance, sanitation, etc (IMO MODU CODE and SOLAS) and other flag State requirements. Lifeboat stations will be located adjacent to each side of the accommodations, with direct access from the main mustering area(s). The mustering area(s) will be equipped with appropriate fire protection and self contained ventilation and air conditioning systems. All furniture will be built of fire resistant material and all textiles will be of flame retardant type in accordance with authority requirements.

The FPSO Facility will be provided with the life saving equipment specified according to SOLAS requirements. The design will include Passive Fire Protection Systems including:

- "A" and "B" class bulkheads and decks, their respective classified doors and window frames and fire stops;
- Fireproofing of the FPSO Facility structural elements and fireproofing of structural supporting members as determined by engineering and safety studies including the full range of fire and blast scenarios.

Formatted: Indent: Left: 1.27 cm, First line: 0 cm, Bulleted + Level: 1 + Aligned at: 1.27 cm + Tab after: 1.9 cm + Indent at: 1.9 cm

Fire Suppression Systems will also be included in the design. Electrical switchgear rooms and the control and equipment rooms will be protected by an inert fire suppression system. Gas, smoke and thermal detectors will be the primary means of detection. Fire suppression systems will have automatic release in normally un-manned locations and manual activation at building egress points. Appropriate warning systems will be provided to warn personnel of fire suppression releases. Generators and packaged equipment units that are supplied with enclosures will be fitted with a self contained fire suppression system. As an alternative to the preferred Fire Suppression System, the FPSO Facility may be provided with CO₂ provided it complies with the requirements of the classification society.

A Firewater System will be designed to include: Fire water supply system; Fire water mains; Fire water consumer systems, and Deluge system. Fire water pumps will be supplied in accordance with classification requirements. The fire main will be a pressurized wet system. Pressure in the fire water main will be maintained by means of 2 x 100% Jockey pumps. The firewater systems will be adequate to provide coverage for the complete FPSO. Monitors shall be strategically placed to provide general area coverage as well as specific protection for a large inventory and critical items.

A Foam Fire Fighting System with the following characteristics will also be included with the FPSO design. A fixed foam fire fighting system will be provided to cover the cargo deck, process deck and helideck. Foam monitors and/or fixed systems will be provided, and located as necessary to provide the required foam coverage. These monitors will also be used, with water, to drench process vessels. AFFF tanks will be

located in appropriate quantities adjacent to the fixed foam monitors. Mobile units will be provided as determined during detailed design.

Loose Fire Fighting Equipment, Firemen's Outfit, Fire hoses, hydrants, portable extinguishers, firemen's equipment and breathing apparatus will be provided. The type, quantity and location will be determined during detailed design and will meet Classing requirements. An area will be designated within the Temporary Refuge as a fireman's muster area. Alternate fire muster areas will be designated.

A Totally Enclosed Motor Propelled Survival Craft (TEMPSOC), together with gravity davits, will be provided and arranged on either side of the accommodation block, in accordance with the SOLAS requirements. Additional emergency escape arrangements will be supplied for each lifeboat station, typically in the form of rope ladders. The length of these ladders will reach the waterline at lightship displacement.

Inflatable life rafts fitted with quick release equipment will be located on each side of the accommodation block, with additional life rafts forward at the forward Temporary Refuge. Lifejackets for at least 100 % lifeboat capacity will be provided and stored in glass fiber boxes near the lifeboat / life raft embarkation areas. Additional lifejackets will be stowed in cabins as per statutory requirements, with additional lifejackets in key locations (forward life raft location, in CCR, in generator control room). Life buoys, line throwing apparatus, emergency ladders, personnel transfer baskets, distress signals etc., are to be supplied as required according to statutory rules and regulations. A high-speed rescue boat with approved launching and recovery arrangements will be provided. The high-speed rescue boat will be designed and equipped for recovery of personnel from the water.

More details about the FPSO accommodations and the Safety Systems can be found in the MODEC FPSO Technical Description, Jubilee Project Document # 10-01-MOD-L02-00010.

3.3.1.5 Coatings and Corrosion Protection

The external surfaces on the FPSO Facility will be fully blasted and corrosion protected with a coating and cathodic protection systems consistent with the intended design life. The external cathodic protection on the submerged part of the hull, up to summer load draft, will be achieved by an impressed current system. The cargo oil tanks will be blasted and corrosion protected with a coating and cathodic protection systems consistent with the intended design life to the following extent: tank bottoms, and sides up to a minimum of two meters above tank bottom, tank tops and sides down to a minimum of one meter below tank top. All coating systems will be suitable for the loading temperature of the crude oil entering the cargo tanks. Ballast and slop tanks will be blasted and fully coated using systems consistent with the intended design life. The internal cathodic protection in the ballast tanks, cargo and slop tanks, sea water heat exchangers and sea chests will be done with anodes. Anode mountings will be bolted to

allow for replacement in service. The coating system for the hull and tanks will be based upon the twenty year service life of the FPSO.

3.3.1.6 Deck Cranes

The FPSO will be provided with two diesel powered cranes in accordance with API RP 2C, suitable for operations at stated loads in 2.5m seas. The cranes will be located to prevent operations over live hydrocarbon process equipment. The design of supply boats docking area will be outfitted with a fixed fender system (Yokohama type to be investigated during design validation) on port and starboard side. The FPSO will also be equipped with a Stern Provisions crane (existing monorail crane) that will be maintained and utilized for miscellaneous onboard lifting operations. Primarily, the cranes will be used for transferring load to/from the supply vessel including the following:

- Transfer of provisions
- Transfer of the spare parts
- Transfer of equipment for repair/maintenance
- Transfer of personnel
- Handling of bunker hoses
- Handling of heavier loads, mainly those related to the riser pull-in operation, coil tubing and other special subsea operation

3.3.1.7 Electrical Power Generation

The electrical power generation system will consist of three dual fuel turbine generator sets at a minimum as well as refurbished existing shipside essential diesel generators and one emergency diesel generator. The gas turbine generators will be located topsides and will typically have an output of 11.0kV, 3 phase, 60 Hz. MW rating and voltage level by Case will be determined later during the detailed engineering stage. Produced gas will supply fuel for turbine generators. Genset quantities and ratings will be determined based on equipment loading calculated from various loading conditions. The low voltage power distribution system located in the topsides electrical building(s) will supply power to topsides process consumers through power transformers. The Shipside low voltage power system will derive power from a dedicated shipside step-down power transformer. An emergency diesel engine power generator with output of 450VAC, 3 phases, 60 Hz will be installed in a dedicated room located in a safe area above Hull's uppermost continuous deck. Upon total blackout, the emergency loads will be automatically supplied with power from the emergency generator in a specified time required by class. UPS and battery back-up systems will supply power to critical loads during the transition and other periods when no AC generation is available.

3.3.1.8 Availability Modeling

A reliability, availability & maintainability (RAM) study will be conducted for purposes of confirming the spares established for critical equipment items, and assist in determining the spares required for the remaining equipment items. The goal of the RAM study is to provide an overall system design that matches the field volumetric availability with requirements. Individual systems or subsystems will be designed to meet this end as required. Compression outages that result in flaring will be minimized to aid production flow assurance. This study will cover fluid availability for the entire system from the wells to the flowlines and manifolds, mooring and transfer system, hull and process facilities, gas lift / gas export lines, water injection facilities, and offloading system. As part of the RAM study analysis, components will be ranked according to their criticality. For purposes of achieving the target availability, equipment will be spared according to the following criticality rankings:

- Criticality 1 – Safety Critical – Failure would jeopardize safety, the environment or have significant commercial impact;
 - Criticality 2 – Production Critical – Failure would lead to tolerable immediate production loss or may have a large loss in the future;
 - Criticality 3 – Operational Critical – Failure would have no impact on safety or the environment and have limited commercial impact
- Spares are primarily dependent on operations and maintenance. A criticality assessment will be conducted for each system and subsystem. Redundancy will not be implemented unless proven necessary to maintain the target availability and sustain operational and technical integrity. A critical spares analysis will be carried out with respect to optimum sparing requirements for EHS and production critical systems.

3.3.2 Processing Equipment

The wellstream fluid will be stabilized and separated on board the FPSO and the produced crude oil stored on board for subsequent export via tankers. Part of the produced gas will be processed and used for fuel. The rest of the produced gas will be sent into an injection flowline or export pipeline. Produced water will be treated and discharged overboard if overboard specifications are met. Seawater will be lifted, filtered, de-oxygenated, de-sulfated and injected into the reservoirs. The topside power generation system will be comprised of dual fuel turbine generators that can provide sufficient electrical power to serve the entire facility. The FPSO will also provide accommodations, safety systems and all other systems necessary for safe, efficient operations. A general arrangement drawing which provides an overview of the FPSO process plant is shown in Figure 111.

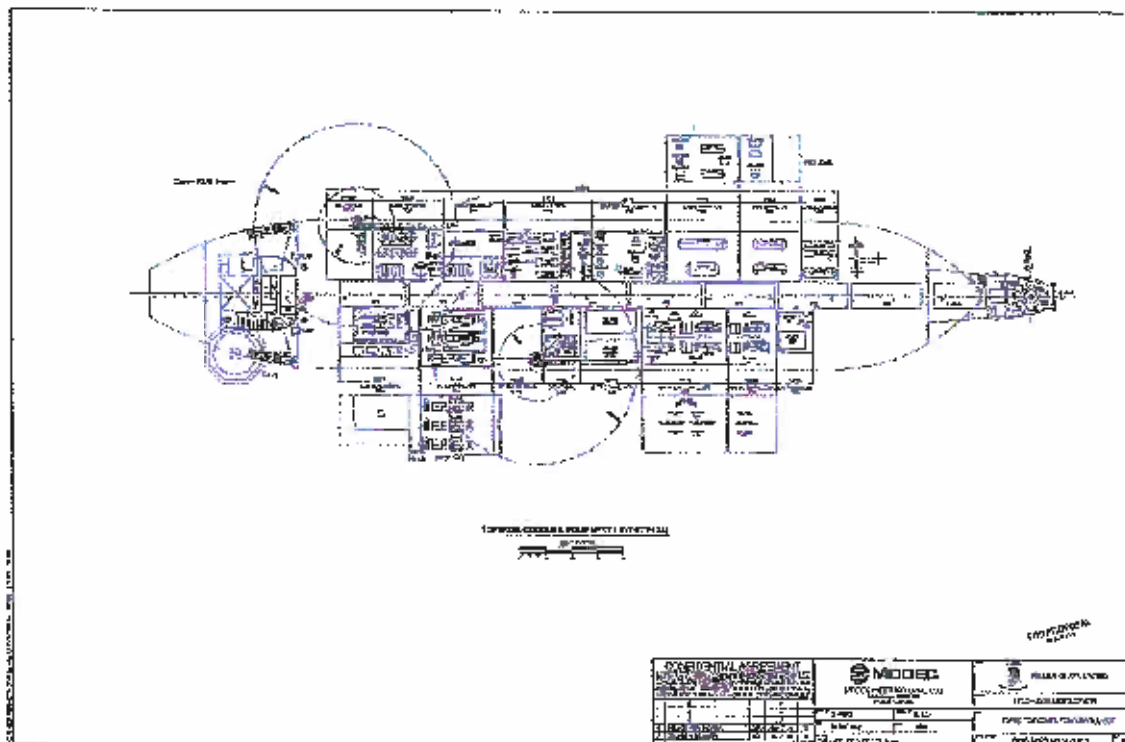


Figure 111: FPSO Process Plant

The FPSO Topsides facilities consist of the following systems (details of which can be found in the MODEC FPSO Technical Description, Jubilee Project Document # 10-01-MOD-L02-00010.)

- One crude separation / stabilization train, four total stages of stabilization provide enhanced oil recovery, with 2 x 100% HP separators for increased flexibility / availability.
- Three 70% two-stage LP gas compression train and associated equipment
- Three 50% gas turbine generators
- Two 100% single-stage MP gas compression train upstream of dehydration
- One 100% gas dehydration and TEG regeneration system
- Two 100% single-stage HP gas compression trains downstream of dehydration
- Two 100% single-stage gas injection compression trains downstream of HP gas compression

[Handwritten signature]

[Handwritten initials]

- One 100% fuel gas conditioning system with 2 x100% filters
- Two 100% produced water treating system with rotating equipment spared at two x100%.
- Chemical injection system with four (4) spare pumps, and two (2) spare tanks
- Sulfate reduction unit (SRU) seawater treatment system including lift pumps, suction caissons and hoses, coarse strainers, multi-media and cartridge filters, vacuum de-aerator with associated vacuum pumps, SRU feed pumps, and seawater injection pumps.
- Flare / vent system with HP and LP flare knockout drums
- One closed loop process cooling medium system, with three 50% circulation pumps and one expansion tank
- One closed loop heating medium system, with two 100% circulation pumps and one expansion tank
- Waste heat recovery units provided on each main generator.
- Instrument, utility, and nitrogen air system including four 33% service / instrument air and one 100% nitrogen generation units with one receiver for each system
- Fresh water system including two 100% reverse osmosis units
- Closed drain system includes piping headers for each pressure classification to the LP Flare knockout drum and two 100% pumps
- A flowline circulation system including two pumps and a flowline circulation fluid heater

The characteristics of the oil, which is offloaded to the shuttle tanker, are shown in Figure 112. The gas injection / export characteristics are shown in Figure 113. The seawater injection and produced water discharge characteristics are shown in Figure 114.

Parameters and Units	Jubilco
Max Oil TVP bara @ Rundown Temp. to Storage	1.0*
Maximum RVP @ 37.8C (100F)	10 psia
Max Salt Content lb/MSTD BBLs	20
Max BS&W (%)	<= 0.5
Temperature to Storage C (F)	55 (131)*

* This is a self-imposed criteria. The maximum temperature to storage is roughly 55 C (131 F), due to hull structural stress limitations. The design shall comply with the TVP, while ensuring no vapors at the temperature at which the crude is sent to storage.

Figure 112: FPSO Sales Oil Characteristics

Parameters and Units	Jubilee
Max Gas Export Operating Pressure (Top of Risor) bara (psia)	379 (5500)
Dew Point	Not Specified
Water Dew point / Content	2 lb/MMscf
Max Gas CO2 (%)	Not Specified
Max Gas H2S (ppm)	Not Specified

Figure 113: FPSO Gas Injection / Export Characteristics

Seawater Injection Characteristics

Parameters and Units	Jubilee
Water Injection Fluid	Seawater
Max Injection Rate m ³ /hr (bpd)	1,534 (232,000)
Nom Injection Pump Discharge Pressure- bara (psia)	345 (5,000)
Oxygen Removal (seawater) ppb maximum	10
Desulfination System	Yes
Sulfate Content mg/l	50
Total Dissolved Solids ppm	not specified
Maximum Particle Size micron	<= 40

Produced Water Discharge Characteristics

Parameters and Units	Jubilee
Produced Water Oil & Grease Content ppm excludes water soluble organics	20

Figure 114: FPSO Seawater Injection and Produced Water Discharge

Equipment sparing philosophy will support the overall FPSO availability target of 95%. The equipment and systems will be required to operate as specified by the design considering the motions criteria calculated based on the site conditions and vessel response. The separation system will be designed to provide on-spec crude oil during storm events. These motions criteria are included in the Site Conditions and Available Utilities datasheet to be developed for the project. With respect to slugging, the following assumptions were made. It was assumed that the slug will be capable of being accommodated in the vapor space of the HP separator(s). Should later data prove this not be the case, either: (1) the HP separator will be increased in size accordingly, (2) a slug control philosophy will be implemented to mitigate the size of the arriving slugs and/or verified by dynamic analysis, or (3) the tuning of the level control valve will be such that the liquids can be worked off at a faster rate. Each of these has distinct advantages and disadvantages which will be considered at the appropriate time.

3.3.3 Water Injection

Water injection will be required to maintain reservoir pressure as oil and gas is produced from the reservoir. Seawater will be used as injection water. The water injection facility located on the FPSO will pump seawater from a water depth below the FPSO, which contains minimal solids, and filter the injection water through coarse and fine filters. The injection water will be treated to remove any bacterial content and oxygen that would cause the formation of hydrogen sulfide producing bacteria in the reservoir and hence sour the reservoir. In addition the sulfate content in the seawater will be reduced to a minimal level to eliminate the possibility of barium sulfate formation in the wells. The injection water will be pumped at high pressure to the water injection wells in the field. Injection volumes into each well are calculated based on upstream and downstream choke pressures at each well.

3.3.4 Gas Injection, Compression and Riser Gas-Lift

Primary gas injection equipment (compression, filtration and dehydration equipment) will be located on the FPSO in support of gas injection and riser gas-lift and gas export. Jubilee Field will utilize high-pressure gas from the FPSO, as injection gas to enhance ultimate recovery. The gas injection system is designed to inject 100% of the gas to avert flaring and allow continuous operation of the FPSO production system in the event of gas export pipeline disruptions. Pipelines will carry the high-pressure gas from the FPSO to the gas injection manifold, where it will be distributed to the gas injection wells. Gas for riser gas-lift will be accommodated either by using a separate, low pressure gas-lift riser which feeds lift gas into the riser base, or by taking a side-stream off of the high pressure gas injection riser in the riser base.

3.3.5 Gas Export and Processing

The base assumption for Phase 1 is that up to 70% of the associated gas, after accounting for gas used/removed for Production Operations, will be available for delivery to the market onshore in Ghana. The other 30% of gas remaining will be re-injected for enhanced recovery subject to confirmation of the value of gas injection seen in the actual

field response. Moreover, given the reservoir uncertainty associated with gas injection volumes for a significant period, and also the uncertainty of providing sustainable and contracted base gas volumes for sales, the gas utilisation plan represents a prudent compromise for both reservoir management and energy supplies to Ghana. The gas export system is more fully described in Section 12.0. The system will be financed, designed, constructed, installed, owned and operated by GNPC and will not be the responsibility of the Contractor.

Jubilee Phase 1, from up to nine initial Phase 1 production wells is expected to produce at a peak rate of 140 MMSCFD, well within the FPSO's gas compression capacity of 160 MMSCFD. Approximately 20 MMSCFD is planned for use as fuel on the FPSO, leaving 120 MMSCFD for export, if no gas were re-injected.

Phase 1 of the project will include a modification to the FPSO, involving the installation of a JT-LTS (Joule Thompson – Low Temperature Separator) processing scheme. The JT-LTS scheme utilizes the Joule Thompson cooling effect by facilitating a rapid pressure drop of a side stream of dense phase gas from the export compressor at 3,000 psia to approximately 652 psia (45 bara).

3.3.6 Production Operations

3.3.6.1 FPSO Production Operations

MODEC, as the selected FPSO subcontractor, will have full responsibility for the operation and maintenance of the FPSO. MODEC is an experienced FPSO operator and currently operates a fleet of ten FPSOs in various regions of the world, including West Africa.

MODEC's scope and responsibilities are set out in Jubilee Project Operations Philosophy Document No. 10-01-KOS-JO2-00001. MODEC's detailed operational procedures will comply with the Project Operations Philosophy and draw on their experience of operating their fleet of owned vessels and their own established and proven operating policies, philosophies and procedures.

The Unit Operator will have two representatives on board, plus MODEC will make provision on board for GNPC representatives and other local trainees. Unit Operator representatives will communicate and monitor the production plan with MODEC and MODEC will perform all well operations from the FPSO under directions from the Unit Operator representatives.

Following installation of the FPSO moorings and installation and hook-up of risers and umbilicals and final pre-commissioning, the FPSO will undergo production testing to demonstrate compliance with functional requirements and equipment and system performance. The FPSO will commence normal operations following completion of these production tests and completion of any outstanding material punch-list items.

MODEC will be subject to an incentive program which will reward good EHS and facility uptime based on defined KPIs (Key Performance Indicators).

In the event that the FPSO is purchased, then responsibility for the FPSO production operations would transfer to the Unit Operator within three years of the purchase option being exercised.

3.3.6.2 Logistics Support

The Unit Operator will provide a marine spread consisting of three vessels to support tanker offloading and provide general logistics support to the FPSO production operations and drilling operations. The three vessels will comprise:

- One large tug to manage and restrain the approach of the offloading tanker (the hold back tug);
- One platform supply vessel (PSV) for supply of equipment, spares and consumables from the marine base at Takoradi to the field;
- One multi-purpose vessel to assist in offloading hose and hawser operations, back-up tug operations and general field support activities, including occasional deployment of inspection and work class ROVs.

The FPSO is designed and equipped to offload crude oil cargoes to standard crude oil carriers of up to 350,000 deadweight tonnes, subject to vetting of the nominated offloading vessels by the Unit Operator.

Helicopter operations from the air base at Takoradi will be used to provide personnel transport and other ad hoc support to FPSO production operations and drilling operations in the field.

Facilities at the port and the airbase in Takoradi will be upgraded to meet the operational requirements of these logistics activities.

3.3.6.3 Subsea and Well Intervention Operations

Inspection of the subsea infrastructure will be carried out on an annual basis, and will allow for the replacement or repair of subsea equipment. The inspection activities will cover the following areas:

- Trees
- Manifold structures
- Flow lines and jumpers
- Risers
- Moorings
- Hull externals

Well intervention operations will only occur for rectification and repair work; there will be no planned well services interventions and no planned batch scale squeeze work. It is unlikely that any suitable intervention vessel will be available for this water depth and that therefore a dynamically positioned rig will be required for these operations.

3.4 Fluids and Flow Assurance

The subsea architecture has been designed to flow up to 160,000 BLPD (dependent on flowing wellhead pressure) through either the east or west legs. Parallel flowlines were chosen to provide for round trip pigging, with a pigging loop provided on each furthest manifold.

The dual flowline configuration provides the ability to flow a large range of throughputs in a stable condition. Operating procedures will be developed to determine correct ramp up rates for start-up below these minimum flowrates. Glass syntactic polyurethane (GSPI) insulation system has been specified for the production flowlines so that the system remains at a temperature outside the hydrate region during normal operations and when the system is shut-in for periods of four to eight hours. For longer term shut-downs, the system is designed for circulating heated dead-oil to replace the production fluids. In addition, methanol can be circulated to the wellheads and manifolds as a further precaution against the formation of hydrates, which can cause serious subsea blockages if not managed effectively.

Erosion within the production and injection flowlines is not expected under maximum flowrates. The production system will utilize low carbon steel with a corrosion allowance included in the design. Corrosion will be minimised by the introduction of corrosion inhibitor.

Scale and wax inhibitors may also be injected at the trees and it is also possible to inject methanol, scale inhibitor, asphaltene inhibitors, wax inhibitors and low dosage hydrate inhibitor (LDHI). Wax deposition is not expected under normal flowing conditions with a wax appearance temperature of 29+ deg C.

The water injection system consists of a single flowline to two water injection drill centers on the west side of the field. The system is designed for a total of 232,000 BPD of water injection at a maximum surface injection pressure of 5500 psig. A corrosion allowance was provided for the water injection flowline and the injection water will be de-aerated on the FPSO. The injection water will also be desulphated to prevent risk of barium sulphate deposition in the oil producers (noting an 18-20 ppm barium level has been observed in the reservoir formation water). Due to this mitigation no scale batch squeeze system is planned for the production wells in the subsea architecture.

A gas injection line will be installed to one gas injection drill center on the east of the field. The maximum Phase 1 gas injection rate will be 160 MMSCFD. A carbon steel

corrosion allowance will be applied to this line, assuming effective operation of the dehydration system on the FPSO.

The following is a brief discussion of some of the production chemistry issues related to the Jubilee Field.

Asphaltenes: Asphaltenes are complex organic molecules which are suspended within the hydrocarbon liquid phase as a colloidal suspension and are stabilised by resins / maltenes. Asphaltene flocculation is difficult to predict; and the methods available indicate asphaltene deposition is unlikely.

Should asphaltenes manifest themselves as a problem then chemical inhibition may be required. In addition handling of asphaltenes in the systems will be mitigated by pigging; batch treating and extraction from surface heaters and vessels.

Wax: The wax is assumed to be 2 to 6% and the wax appearance temperature (WAT) of the Jubilee hydrocarbons is 90 to 115 degrees F. Waxes behave similar to hydrates and there are two strategies deployed to prevent wax becoming an operational issue:

- Production systems are designed to be maintained above the WAT.
- If below the WAT, chemicals injection can be deployed to prevent wax from causing blockages in the system (u.g. tubing, flowlines, risers, valves etc.).
 - Wax inhibitor chemicals can be injected at the well (i.e. as far upstream as possible).
 - However in the event that wax manifests itself before commencing deployment of chemicals then arrangement will be designed in to handle wax (i.e. pigging, periodic removal from surface equipment, cleaning of cargo tanks and offloading lines etc.)

The risk of gels (from wax) is considered low with a pour-point of -6 to 16 degrees F.

Viscosity: The viscosity of the Jubilee Field crude is not considered arduous. The data is available in the PVT reports. Further laboratory studies may be conducted as samples are taken during appraisal/development works

Emulsion Stability: Emulsions form under the following conditions:

- Two or more immiscible fluid phases.
- Shear
- Stabilisation medium (i.e. fines, clays, corrosion products, particles of scale, wax, asphaltenes, etc.).

All three conditions prevail in the Jubilee Field. It is important to note that emulsions are not a function of bulk chemistry and therefore field analogues may only be used with caution. Emulsions affect both viscosity prediction and oil/water separation (and water/oil separation). Further laboratory separation studies will be conducted. The

Handwritten signature/initials

Handwritten initials: JM, JJA

Jubilee Field design is robust to the possibility of emulsions with the use of 4 stages of separation, the use of process heating, the deployment of de-emulsifiers/emulsion breakers and ultimately the use of electrostatic coalescing.

Foaming: Foaming and emulsions are very similar. While foaming is equally unpredictable it is handled in a very similar fashion with chemicals. A particular nuisance with foams is on level measurement and as such level-instruments will be selected in such a way as to minimise the impact of foams.

Sulphur Compounds and H₂S: There is no evidence of innate H₂S in the formation fluids. Due to water injection there is the possibility of reservoir souring, however this risk has been reduced through the deployment of a robust sea water treating plant.

Material selection will be cognisant of the minor-possibility of H₂S production in later years; but will not enforceably adhere to NACE requirements.

Hydrates: There are three main causes:

- During steady-state production of water and hydrocarbons at pressures and temperatures within the hydrate-formation phase envelope.
- During Joule-Thomson cooling of high G.L.R systems as pressure is reduced through chokes, valves, etc.
- During cold start-up (and potentially during cool-down) when the system is below its normal operating temperature and the resulting pressure and temperature are in the hydrate-formation region.

Under normal operations, hydrate formation can be mitigated by:

- Insulated flowlines
- Gas lines de-watering
- Methanol injection downhole and at the tree

All points within the Jubilee Field production system will be assessed – both during normal and transient operation – to determine if the system enters the hydrate formation region. This will include any Joule-Thomson cooling effects, which can be significant during blowdown operations. A transient model (e.g. OLGA, etc.) will be necessary to assess the shutdown and start-up issue relating to the Jubilee Field production system. The design has a hot-oil circulation system in order to build "heat inertia" into the system to minimise the hydrate risk.

Produced Water Chemistry: The formation water is not believed to be outside the standard range of industry discharge parameters. During the drilling of appraisal and development wells, additional water samples may be taken and ions analyzed for anomalies. Compatibility testing will be performed with the seawater to confirm scaling tendency predictions.

Solids Issues: The solids loading of the facility is unknown. The wells are planned to be gravel packed, reducing the likelihood of sand production. Solids will be managed in the following manner:

- Flowlines will be piggable
- Acoustic sand detectors will be incorporated in rigid jumper construction
- Turret swivel will be designed to accommodate solids production
- Separators will be designed to accommodate solids production, including stage nozzles

Inorganics: The scaling tendency for calcium carbonate and barium sulphate is predicted to be minimal. However, provision will be made for chemical inhibitor throughout the system.

Calcium naphthanate scaling tendency is recognised as a risk. Provision for chemical injection will be made to mitigate, if a problem is identified. Further laboratory testing will be conducted during the development phase of the project to assess this risk.

4.0 SCHEDULE AND COSTS

4.1 Schedule

Figure 115 depicts a Phase 1 schedule to achieve first oil by fourth quarter 2010 (Q4, 2010). The schedule includes all major activities associated with the Phase 1 development.

	2008				2009				2010				2011				2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Project Sanction				▲																
Drilling / Completions				■	■	■	■	■	■	■	■	■								
Subsea Fabrication				■	■	■	■	■												
FPSO Conversion				■	■	■	■	■												
Tree Delivery								■	■	■	■	■								
Subsea Installation								■	■	■	■	■								
FPSO Installation									■	■										
First Oil																■				

Figure 115: Phase 1 Project Schedule

4.1.1 Subsea and Topsides Equipment

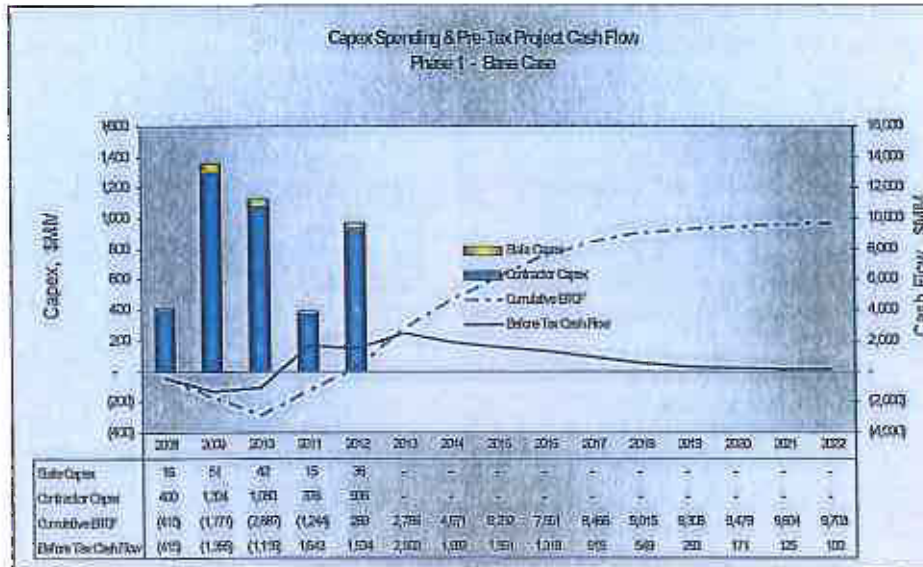
The schedule indicates FPSO contract and related topsides equipment contracts to be awarded by Q4, 2008. All topsides equipment required for the Phase 1 development will be installed on the FPSO in the shipyard. Contracts for the fabrication and installation of flowlines, risers, manifolds, trees will be awarded by Q4, 2008. This timing will allow first oil to be achieved in the target timeframe. The first oil target is contingent upon the expedient approval of this Phase 1 Development Plan.

4.1.2 Drilling and Completions

Initially, the two drilling rigs referred to in Section 2.6.9.3, are planned to be utilized for the development drilling program, which is scheduled to commence in late Q3, 2008. The Phase 1 development will utilize two existing wells (Hyedua-1 and Mahogany-1) by completing them as development wells for use in the Phase 1 project; Hyedua-1 as a water injector and Mahogany-1 as an oil producer. The Phase 1 plan also envisages drilling up to fifteen additional wells; of which up to eight are expected to be oil producers, up to three as gas injectors and up to four as water injectors, though final well type mix (and well locations) will depend on well results and updating of reservoir understanding and forecasting models as the project progresses. The well completion program will commence in Q3, 2009. Where sensible to maximize efficiency and reduce costs, wells will be drilled and completed in batch mode.

4.2 Development (Capital) Expenditures

Figures 116 - 117 detail the gross development (capital) expenditures by year, which correspond to the development schedule shown in Figure 115, and exclude historical costs related to exploration, appraisal and pre-sanction activities. Total gross development (capital) expenditures, excluding capital expenditures for provision of the FPSO which will be initially leased from the subcontractor, are estimated to be USD 3,151 MM for the Phase 1 Development, see Figure 117. Figure 116 includes the FPSO lease cost for the first two years and the FPSO purchase cost.



Note: Capex indicated above includes USD 228 MM in lease cost for a two year period and a notional purchase of the FPSO in Year 2012 assuming a purchase price of USD 878 MM. Purchase of the FPSO is an option in any given year and is not part of the USD 3,151 MM Phase 1 sanctioned budget. The notional FPSO purchase is included in the economics as a hypothetical case for economic analysis purposes only.

Figure 116: Phase 1 Development (Capital) Expenditures

The total drilling and completion capital expenditures are USD 1,493 MM, reflecting a development program consisting of up to seventeen wells, including the Hyedua 2 well. Total facilities capital expenditures are USD 1,239 MM and include manifolds, trees, flowlines and related subsea architecture. The remaining capital expenditures are USD 420 MM and operations, commissioning and capitalized General & Administration (G&A).

FPSO "bare-boat" Charter Rate will be capitalized. For the purpose of this analysis, we assume purchase after two years. The actual purchase decision will be taken as a separate investment decision after start-up.

Year	Total Capital Expenditures, USD MM						
	Drilling & Completion	SS Systems	Installation	Start-up	Capitalized G&A	Capitalized Operations	Total
2008	180	198	3	-	16	19	415
2009	694	571	35	-	72	83	1,355
2010	481	340	83	30	47	122	1,103
2011	238	-	8	-	62	-	278
2012	-	-	-	-	-	-	-
Total	1,493	1,110	129	30	166	234	3,151

Excludes historical E&A costs of USD 211 MM and pre-sanction costs of USD 32 MM.

CSA

AM & JIA

Figure 117: Phase 1 Development (Capital) Expenditures by Year

4.3 Production (Operating) Expenditures

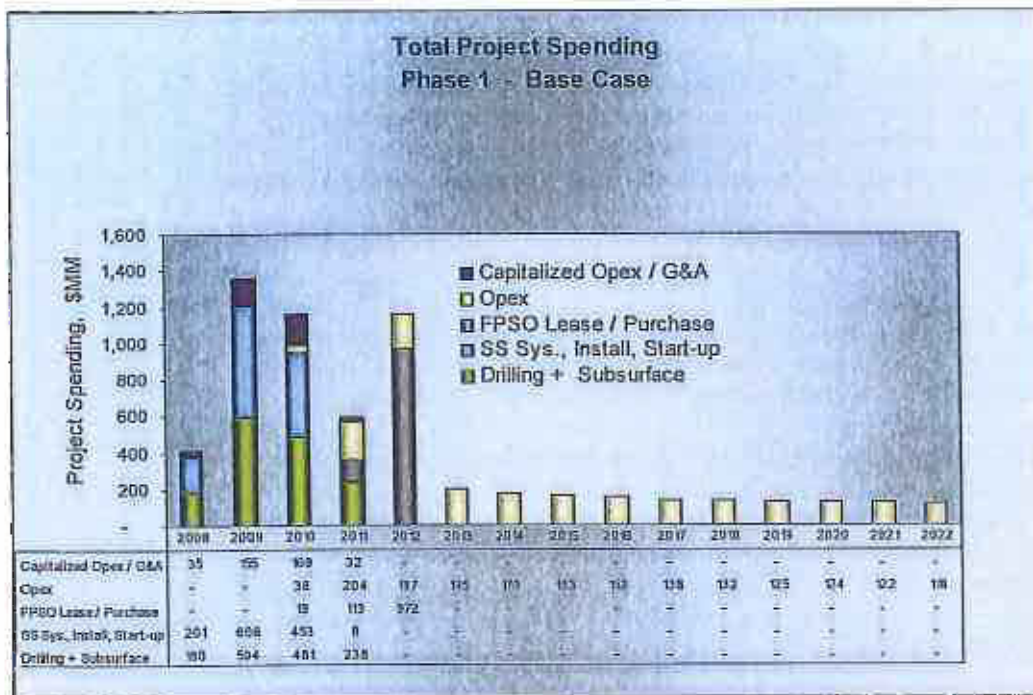
Production (operating) expenditures include the following operations scope and activities:

- FPSO Operation and Maintenance, including FPSO crewing, maintenance and materials, on board consumables, FPSO facility insurance, and the FPSO subcontractors onshore organization.
- Chemical injection consumables for process and sub-sea production operations and hydraulic control;
- Logistics support including marine spread, helicopters and shore base support activities, freight costs and skips and other waste disposal;
- Sub-sea inspection and maintenance, including routine inspection and maintenance, plus occasional additional breakdown repair activities;
- Well intervention for rectification and repair work;
- Insurance of the in-field equipment and infrastructure;
- Various on shore services including the Company Social Responsibility program, security, HSE and medical services, and oil spill and emergency response requirements.
- Allocation of Unit Operator G&A operating expenses
- Decommissioning expenses

Total production (operating) expenditures, for the full field life of twenty-three years, including USD 412 MM abandonment costs, are estimated to be USD 3,435 MM in 2008 terms, or USD 12.37/BOE. The life of field total includes direct operating and maintenance expenses of the FPSO, well workover and intervention, chemicals, decommissioning and organisation G&A, see Figure 118.

The operating expense estimates reflect the current level of project data uncertainty and contain assumptions regarding various operations activities, such as the production and sub-sea chemicals, their required consumption volumes, and the frequency of well interventions, which will be refined as production data becomes available during the early years of operations.

AM \$
JCA



Note: The FPSO lease / purchase costs shown include two years lease rate followed by purchase in 2012 for USD 378 MM. Purchase of the FPSO is an option in any year and is included in the economics as a hypothetical case for economic analysis purposes only.

Figure 118: Phase 1 Total Expenditures

For the initial ten years of production, the total estimated cost of production operations (including G&A) equates to ~USD 6.20/Bbl, after which time production rates decline and unit operating costs would rise for Phase 1 alone. This forecast unit opex sum of USD 6.20/Bbl during the first ten years includes;

- Unit Operator G&A which has an estimated unit cost impact of ~USD 1.2/Bbl over the same ten year period. The Unit Operator G&A includes staff, office, shore base, training, travel, and general expenses.

It should be noted that total unit production operating costs (including G&A), when at plateau of 120,000 bbl/day, are less than USD 5/Bbl. Continued high levels of production from existing wells and/or later production from further phases would continue this good

performance ahead of any subsequent production decline which would lead to a rising unit cost parameter.

The forecast level of unit operating cost performance for Phase 1 has been benchmarked to other deepwater West African and world-wide developments and is considered competitive as a forecast basis. A critical performance parameter for maintaining reasonable operating costs will be well and subsea reliability given that workover and intervention are very high cost items if reliability was poor. The project is designing for high reliability using proven designs and equipment to assure as much as practicable, reliable performance.

In the later years of production operations, activities such as subsea repair and maintenance, well interventions and chemical injection would be reviewed on a well by well cost benefit basis in order to optimise the unit production rates at that time.

Note that no escalation or inflation has been applied to the estimates for operating cost and G&A and these may be reasonably assumed to be 5-10% per annum in reality. Unit Operator operating expenses and G&A approval will be subject to an annual approval process with the Joint Operating Committee and Joint Management Committee, commencing in 2008.

4.4 Project Risk and Mitigation

An analysis of key tactical risks to the Phase 1 development was made to identify areas with significant potential for cost or schedule impact. Key strategic risks were excluded from this analysis. A mitigation strategy was then identified for each project risk. In several cases, steps have already been taken to mitigate the likelihood of occurrence. The project risks were assessed a low, medium or high probability of occurrence. In addition, the cost impact range was assessed on the basis of:

- low impact for occurrences less than USD 40 MM
- medium impact for occurrences between USD 40 MM and USD 200 MM
- high impact for occurrences greater than USD 200 MM

The schedule impact range was assessed on the basis of:

- low impact for occurrences less than two additional weeks
- medium impact for occurrences between two and four additional weeks
- high impact for occurrences greater than four weeks

For the eight risks identified, three were assessed a low probability of occurrence, four were assessed a medium probability of occurrence and one was assessed a high probability of occurrence, see Figure 119. Simultaneous operations were identified as having a high probability of occurrence, low cost and medium schedule impact. Since the installation and well activities are planned to be concurrent, significant focus will be given to simultaneous operations contingency planning, during the execution of the project. Delay of topsides pre-commissioning was identified as a high schedule impact.

The mitigation strategy consists of ordering longlead items (already implemented) and ensuring that pre-commissioning is completed in the shipyard. Interface problems between subsea and FPSO subcontractors were also identified as a high schedule impact. The mitigation strategy consists of detailed definition of the subsea-FPSO subcontractor interfaces within three to six months after letters of intent are signed.

Category	Risk to Project	Probability of Occurrence	Potential Cost Impact	Potential Schedule Impact	Mitigation
Subsea	Review between data sources change in subsea system	Medium	Medium	High	Interface bugs were identified early in project. Acquire data from drilling contractors. Design margins.
General	Late delivery of equipment	Medium	Medium	High	Staggered delivery strategy. Coordinate installation between contractors to align with equipment deliveries. Use spares.
General	Complex objects	Low	Low	Low	Get production schedule for equipment. Develop strategy, redundancy and interchangeability.
Facilities	Site prep schedule slippage, incomplete pre-commissioning	Medium	Low	High	Ordering of longlead items. Additional in contractor schedule. Ensure pre-commissioning completed in shipyard to access personnel and equipment. Pre-commissioning during low and after liner hook-up will reduce impact.
Facilities	Interface problems between subsea and FPSO	Medium	Low	High	Facilitate interface definition, early in project, 3-6 months after LOC.
Drilling/Completion	Well Deviation	Low	Medium	Medium	Good engineering practices. Experience in region. Two rig operators. Emergency response plan.
Drilling/Completion	Simultaneous Operations	High	Low	Medium	Planned occurrences. Advance during execution mode.
Weather	Weather effects in shipyard or during installation	Low	Low	Medium	Contingency in schedule and planning.

Legend		
Cost Impact	Low	<\$ 40 MM
	Medium	\$ 40 MM - \$ 200 MM
	High	> \$ 200 MM
Schedule Impact	Low	<+ 2 weeks
	Medium	+ 2 to + 6 weeks
	High	> + 6 weeks

Figure 119: Project Risk and Mitigation

5.0 ECONOMICS

This section discusses the economic assumptions, case descriptions, results and sensitivities for the proposed Phase 1 development plan. The economic analysis is for the oil plan going forward and does not include the GNPC Gas Plan. The forecast economic metrics associated with the Phase 1 development plan are considered attractive and support proceeding with development. The economic assumptions and metrics for the base case outcome are presented below. Sensitivity runs have been made to identify key economic drivers and to test the impact of variations from the base case assumptions.

5.1 Base Case

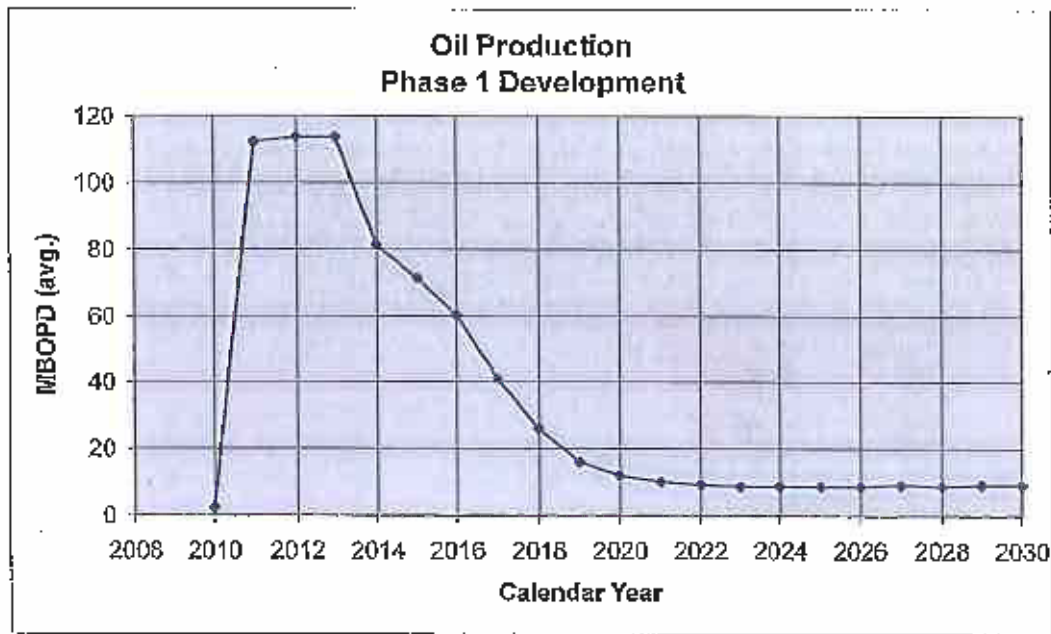
The base case economic analysis is based upon a seventeen well Phase 1 development plan, which comprises a partial development of the total Jubilee Field Most Likely UMB and LM2 STOOIP. As described in previous sections, the reservoir simulation derived most likely case ultimate oil recovery of 278 MMBO will be achieved with up to nine

[Handwritten signature]

[Handwritten initials]

producing wells, up to three gas injection wells (which re-inject all produced gas which is not sold or used for fuel) and up to five water injection wells (which, in conjunction with the gas injection, are intended to provide pressure maintenance).

First oil production is assumed to occur on November 1, 2010, for the purposes of economic analysis. The peak oil production of approximately 120,000 BOPD (FPSO design capacity) is expected to be reached in 2011 after a ramp up period. The oil rate forecasts derived from reservoir simulation have been modified to account for 95% up time as provided for in the FPSO functional specification. Figure 100 depicts a forecast of oil production through 2030 of the Phase 1 development.



Phase 1 Oil Production Forecast

YEAR	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
MIBOPD	2	112	114	114	81	71	60	41	25	16	12	10	8	9	9	9	9	9	9	9	9

Figure 100: Phase 1 Oil Production Forecast

The light, sweet produced oil is expected to fetch a price in the range of Brent index. All economic evaluations in this report have been run using a forecast of USD 65.00/bbl Brent oil price with no escalation. No adjustments to Brent have been applied for quality or transportation differentials. An oil market survey will be conducted after a Jubilee Field oil assay has been completed to better determine the optimum markets and to refine the expected market pricing.

[Handwritten signature]

[Handwritten initials]

The transportation of the crude oil to the market by tankers is not within the scope of this POD as it occurs downstream of the sales point, which will be at the outlet flange of the FPSO, and is not included in the cost structure of the project.

Based upon analysis of a range of natural gas infrastructure configurations carried out by the Contractor, the Contractor considers production, processing and utilization of the Associated Gas to be economic. However, the Contractor has accepted the basis in principle of the Gas Utilization plan presented by GNPC and subject to Section 12.0 of this Phase 1 Plan. The base case revenue projection of oil production alone is shown in Figure 120.

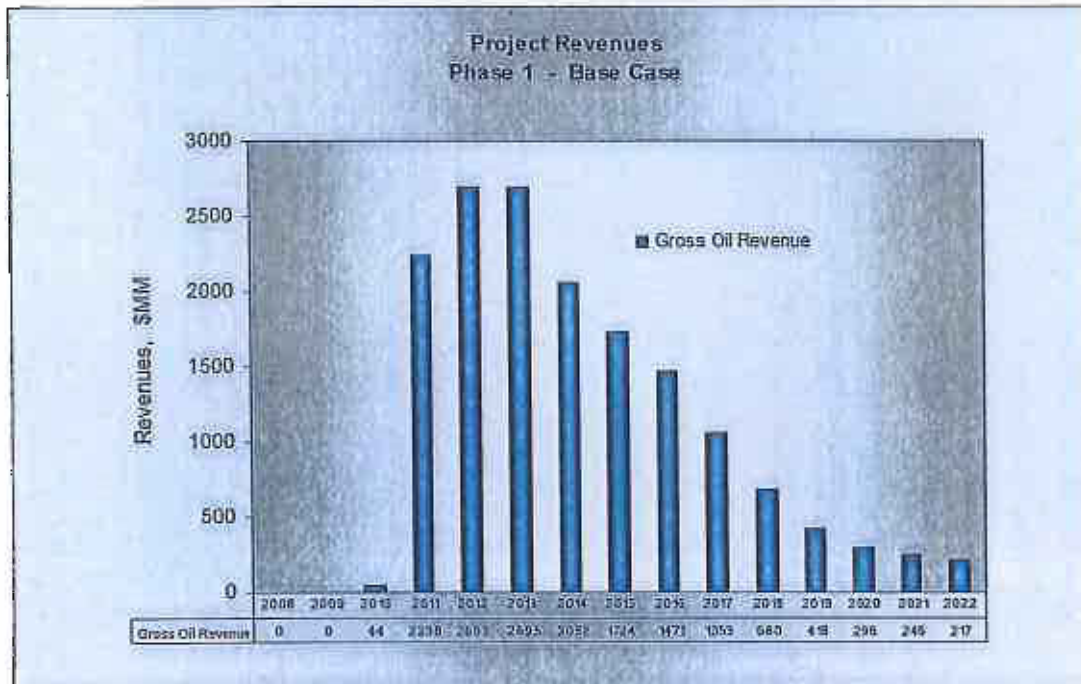


Figure 120: Phase 1 Revenues

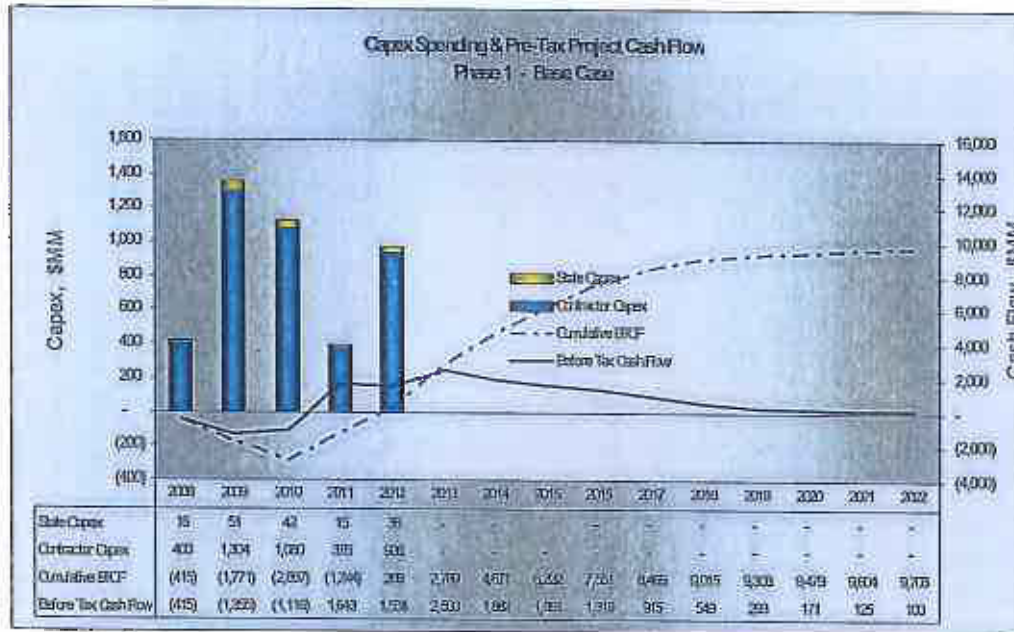
According to the provisions of Article 10.1 in both the West Cape Three Points and Deepwater Tano Petroleum Agreements, 5% of the oil production has been deducted as the State's oil royalty. A deduction for the State's gas royalty of 5% has been applied for West Cape Three Points and 3% for Deepwater Tano.

The projected base case Phase 1 development (capital) expenditures are shown in Figures 116 - 117. For the purpose of economic analysis, total development (capital) expenditures of USD 4,255 MM include USD 3,151 MM IPT capital expenditure estimate (Figure 117), USD 226 MM for FPSO lease and USD 878 MM projected FPSO

ESD

MM
JH

purchase cost. The FPSO contract affords the Unit Operator a purchase option at predetermined prices. The base case assumes that the FPSO is leased for twenty-four months and is then purchased (however, this decision does not need to be taken until well after first oil; the development plan must be flexible enough to accommodate all lease versus purchase scenarios contemplated under the FPSO contract and to sanction funding for same). Future exploration costs and any other costs not associated with the Phase I development have been excluded from the pre-tax base case economic projections.



Note: Capex indicated above includes USD 226 MM in lease cost for a two year period and a notional purchase of the FPSO in Year 2012 assuming a purchase price of USD 878 MM. Purchase of the FPSO is an option in any given year and is not part of the USD 3,151 MM Phase 1 sanctioned budget. The notional FPSO purchase is included in the economics as a hypothetical case for economic analysis purposes only.

Figure 116: Phase I Development (Capital) Expenditures

Year	Total Capital Expenditures, USD MM						
	Drilling & Completion	SS Systems	Installation	Start-up	Capitalized G&A	Capitalized Operations	Total
2008	180	198	3	-	16	19	415
2009	504	571	35	-	72	63	1,355
2010	481	340	83	30	47	122	1,103
2011	238	-	6	-	32	-	278
2012	-	-	-	-	-	-	-
Total	1,493	1,110	129	30	186	224	3,151

[Handwritten signature]

[Handwritten initials]

Excludes historical E&A costs of USD 211 MM and pre-sanction costs of USD 32 MM.

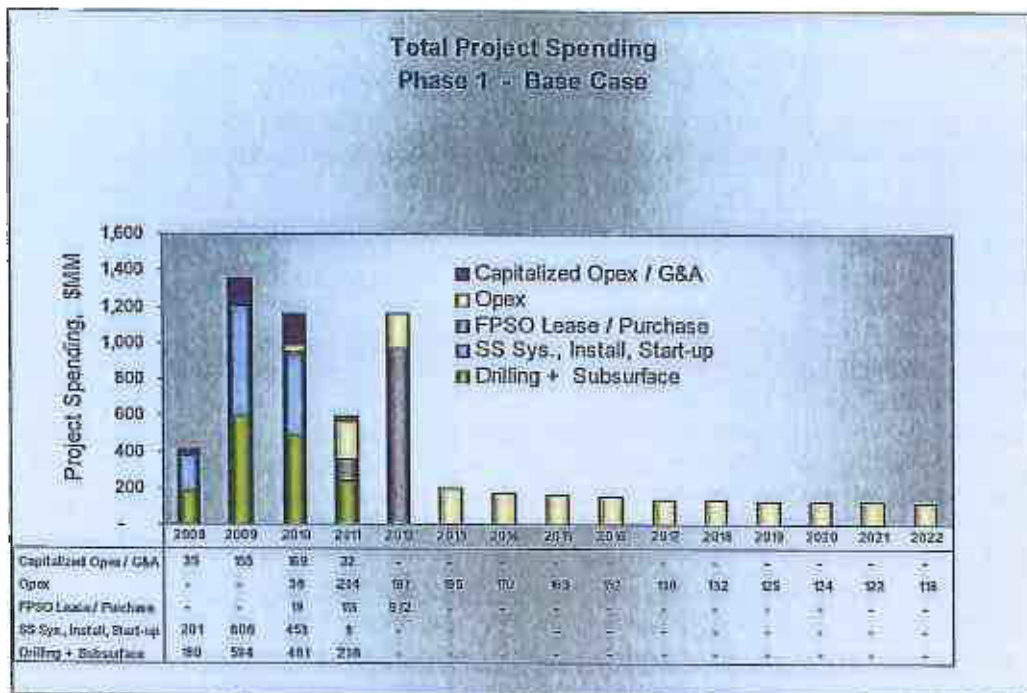
Figure 117: Phase 1 Development (Capital) Expenditures by Year

The costs for the gas pipeline and downstream infrastructure have been excluded from the base case, since GNPC has indicated that these investments will be made by parties other than the Contractor.

The FPSO lease costs of USD 226 MM incurred over the twenty-four month assumed lease term are treated as Development Costs for the purpose of cost and revenue sharing as well as for Ghana tax purposes.

Decommissioning costs are included in the economics and are financed as contemplated in the Unitization and Unit Operating Agreement and its Exhibit D.

The operating costs shown in the context of total costs (Figure 118) are based upon 2008 costs and are unescalated. Total production (operating) expenditures, for the full field life of twenty-three years, including USD 412 MM abandonment costs, are estimated to be USD 3,435 MM in 2008 terms, or USD 12.37/BOE. While it is very difficult to predict future industry-wide field operating cost escalations, recent operating cost escalations have been significant and it is entirely possible that compounded annual operating cost escalations could exceed 10%.



Note: The FPSO lease / purchase costs shown include two years lease rate followed by purchase in 2012 for USD 878 MM. Purchase of the FPSO is an option in any year and is included in the economics as a hypothetical case for economic analysis purposes only.

Figure 118: Phase 1 Total Expenditures

The base case economic projections assume that the Jubilee Field Phase 1 volumes and costs are allocated 50/50 between the West Cape Three Points Block and Deepwater Tano Contract Area. This allocation of volumes has been made for the purposes of economic analysis, but in the future will be determined by other definitive documents. GNPC holds a 10% Initial Interest in all Jubilee Field Production Operations, but its associated paying responsibilities are limited to Production Operations costs. For the Jubilee Field, it is assumed in the economic projections that GNPC exercises its options to acquire 2.5% and 5% Additional Interests in the West Cape Three Points Block and Deepwater Tano Contract Area, respectively, which bear the cost of both Development and Production Operations.

The Contractor is subject to 35% Ghanaian Income Tax on its taxable net income. In addition, the Contractor is subject to an Additional Oil Entitlement (AOE) distributed to the State out of the Contractor's share of Crude Oil. The rate at which AOE is assessed increases with increasing Contractor rate of return according to methodologies spelled out in the Deepwater Tano and West Cape Three Points Petroleum Agreements.

Allowable costs other than Phase 1 costs (such as past and future exploration costs and non-Phase 1 development costs) must be included in the calculation of Contractor's Ghanaian Income Tax and AOE assessments.

Metrics resulting from the Phase 1 base case economic analysis are shown in Figure 121. A discount date of January 1, 2009 has been applied; however, Phase 1 costs incurred before this date have been included in the economic projections. The results of the base case economic analysis are considered attractive to both the State and the Contractor. The USD 15.32/BOE anticipated unit development cost is competitive with other current major deep water development projects. The post-tax State take is estimated at 54%–63% depending upon realized oil prices. Revenue allocation among the parties is shown in Figure 122.

The results of the base case economic analysis have been presented on a pre-tax and post-tax basis. The pre-tax results include only the Phase 1 costs which are subject to sanction in this Phase 1 Development Plan and provide representative metrics such as project level revenues and cash flows, unit costs, etc. The post-tax results include past exploration costs in the calculation of Ghanaian income tax and AOE. However, Phase 1 represents only the planned development, and may be followed by future development projects, which will ultimately drive post-tax cash flows for the overall project. The impact of Ghanaian Income Tax and AOE on the Phase 1 development metrics may vary significantly from that presented since future exploration and development costs on the blocks as well as potential revenue, which are of unpredictable magnitude and timing, have not been included in the calculations.



Phase 1 Base Case			State		
Indicative Economics (Pre-Tax) ¹			Project	(incl. GNPC)	Contractor
Oil	(equity share)	MMBL	278	38	240
Gas	"	BCF	0	0	0
NGL	"	MMBL	0	0	0
Oil Equiv.	"	MMBOE	278	38	240
Oil Price		\$/Boe	65.00	65.00	65.00
Revenue		\$MM	18,058	2,483	15,573
Development Cost (incl. FPSO)		\$MM	4,255	160	4,096
Development Cost (incl. FPSO)		\$/Boe	15.32	4.18	17.10
Operating Cost (incl. Abandon.)		\$MM	3,435	472	2,963
Operating Cost (incl. Abandon.)		\$/Boe	12.37	12.37	12.37
Total Life of Field Cost		\$MM	7,690	832	7,059
Total Life of Field Cost		\$/Boe	27.68	18.54	29.48
Max. Cum Negative Cash Flow		\$MM	(2,887)	(106)	(2,781)
NPV10 @ 1-1-2009		\$MM	4,680	1,486	3,214
NPV10 @ 1-1-2009		\$/Boe	16.85	38.38	13.42
Economic Parameter (Post-Tax) ²					
NPV10 @ 1-1-2009		\$MM	-	2,769	1,740
NPV10 @ 1-1-2009		\$/Boe	-	72.50	7.26
Rate of Return		%	-	172%	25%
Profit		\$MM	-	5,415	4,640
Profit Share (as a % of Project profit) ³		%	-	54%	46%
Profit Share (assuming oil price of \$115/bbl)		%	-	62%	38%

1. Pre-tax results do not include Ghanaian corporate income tax or AOE. Pre-tax results include only Phase 1 sanction costs, therefore, pre-sanction exploration and appraisal costs and future exploration costs outside of the Jubilee Field are not included.
2. Post-tax results include the estimated effects of Ghanaian corporate tax and AOE on the Phase 1 results. Pre-sanction exploration and appraisal costs have been included in the post-tax analysis in order to determine tax effects. Future Jubilee development phases will significantly increase the tax and AOE values used to calculate the Phase 1 post-tax results shown above.
3. Project Profit = total project gross Revenues less total project Costs (including pre-sanction Exploration and Appraisal Costs)

Figure 121: Phase 1 Economic Results

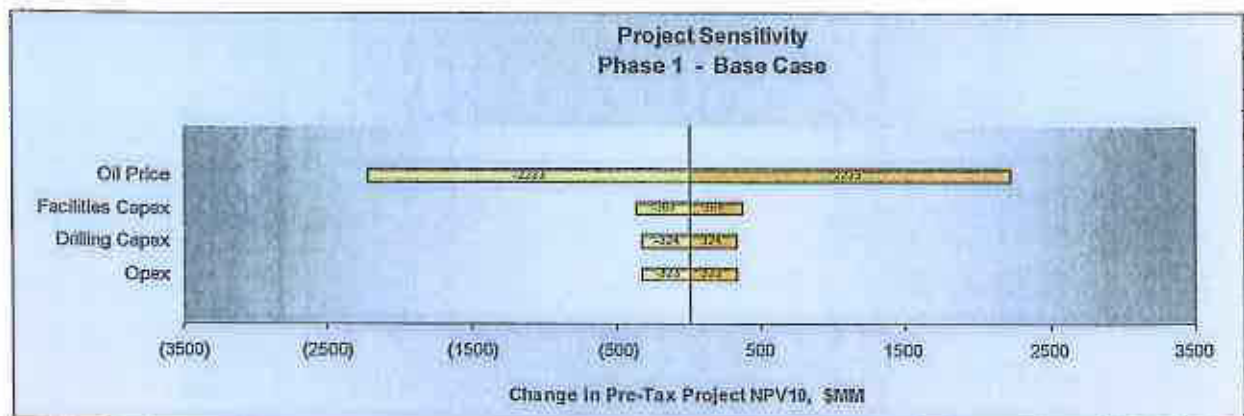
Phase 1 - Base Case Indicative Economics - Post-Tax		Base Case Oil Price \$95 / BBL				Current Oil Price \$45 / BBL			
		Project	State	GNPC Equity	Operator	Project	State	GNPC Equity	Operator
Total Production	MMBoe	278	-	54	224	278	-	52	228
Gross Revenue	\$MM	18,058	0	2,183	15,873	12,500	0	1,719	10,781
Royalty	\$MM	0	903	0	(803)	0	825	0	(825)
Post Royalty Revenue	\$MM	18,058	903	2,183	14,870	12,500	825	1,719	10,158
Total Capex (incl E&A)	\$MM	(4,665)	0	(181)	(4,404)	(4,665)	0	(181)	(4,484)
Total Opex	\$MM	(3,435)	0	(472)	(2,963)	(3,435)	0	(472)	(2,963)
Total Project Cost	\$MM	(8,099)	0	(653)	(7,387)	(8,099)	0	(653)	(7,387)
Gross Operating Margin ("Rent")	\$MM	10,058	903	1,650	7,303	4,500	825	1,096	2,789
Income Tax ²	\$MM	-	2,581	0	(2,581)	-	1,300	0	(1,000)
AOE	\$MM	-	101	0	(101)	-	0	0	0
After Tax NCF	\$MM	-	3,503	1,650	4,640	-	1,625	1,096	1,789
% Take (as % of Project Rent)	%	-	54%	-	46%	-	60%	-	40%

- Allocations are estimates only based on the most likely Phase 1 development case presented in the Plan of Development
- Income Tax and AOE shown are provisional only and dependent on, among other things: oil price, cost structure and field performance
- Total development (capital) expenditures include: FPSO lease of USD 226 MM, FPSO purchase of USD 878 MM and Phase 1 development of USD 3,151 MM
- Total project costs of USD 4,665 MM include USD 4,255 MM in development (capital) expenditures, USD 278 MM in historical costs and USD 32 MM in production costs.

Figure 122: Phase 1 Revenue Allocation

5.2 Sensitivity Analysis

The base case described above was subjected to standard variance analysis to identify key value drivers and calculate their impact on the base case results. The results of the sensitivity analysis have been presented in tabular and tornado chart format, see Figure 123. By far the most significant variable is oil price.



Phase 1 Base Case Sensitivity Results (Pre-Tax)	Parameter Variance Factor		
	1	2 (Base Case)	3
Opex	75%	100%	125%
Drilling Capex	75%	100%	125%
Facilities Capex	75%	100%	125%
Oil Price (USD/Bbl)	50.00	65.00	80.00

Figure 123: Phase 1 Sensitivity Analysis

In addition to the routine sensitivity analysis above, three unique cases were constructed to model economic outcomes for specific development scenarios. These are described below and the economic results are shown in Figure 124.

Phase 1 - Alternate Cases		No Gas Sales	High Well Density	No Gas Injection	Base Case
Economic Parameters for Project (Pre-Tax)					
Oil	MMBL	303	278	268	278
Gas	BCF	0	0	0	0
NGL	MMBL	0	0	0	0
Oil Equiv.	MMBOE	303	278	268	278
Oil Price	\$/Boe	65.00	65.00	65.00	65.00
Revenue	\$MM	19,683	18,058	17,421	18,056
Development Cost (incl. FPSO)	\$MM	4,255	5,744	4,255	4,255
Development Cost (incl. FPSO)	\$/Boe	14.05	20.68	15.88	15.32
Operating Cost (incl. Abandon.)	\$MM	3,435	4,508	3,435	3,435
Operating Cost (incl. Abandon.)	\$/Boe	11.34	16.23	12.82	12.37
Total Life of Field Cost	\$MM	7,690	10,252	7,690	7,690
Total Life of Field Cost	\$/Boe	25.40	36.81	28.69	27.68
Max. Cum. Negative Cash Flow	\$MM	(2,887)	(2,878)	(2,889)	(2,887)
Project Profit	\$MM	11,993	7,803	9,731	10,365
Profit / Capex Investment Ratio		2.8	1.4	2.3	2.4

Figure 124: Phase 1 Sensitivity Analysis

High Well Density Case:

Describes the scenario in which reservoir continuity is decreased versus the base case assumption resulting in a higher number of wells to achieve the base case ultimate recovery for Phase 1. The well count in the high well density case include eighteen producers, ten water injection wells and four gas injection wells. The expected ultimate recovery is unchanged versus the base case. The capital for the additional drilling and related infrastructure adjustments (risers, jumpers, trees) is spent beginning in year 2011, reflecting the learning time from initial production and the limited rig capacity. Although this case results in a meaningful decrease in project value in comparison to the base case, it remains economically robust.

No Gas Injection Case:

Describes the scenario in which 100% voidage replacement is achieved with water injection, i.e. all produced gas, less fuel, is exported for sale, but no value is included in the economic analysis for the gas sale. The oil production profiles and expected ultimate recovery have been modified based upon simulation results which incorporate zero gas reinjection. No change has been made to the facilities costs (compression, flowlines, injection wells) as the flexibility to accommodate this scenario is already incorporated into the base case design basis. While uncertainty exists, which will be reduced by production and injection experience, the simulation indicates that gas re-injection will result in a greater recovery of Ghana's hydrocarbon resources.

No Gas Sales Case:

Describes the scenario in which all available Phase 1 gas is re-injected. The oil production profiles and expected ultimate recovery have been modified based upon simulation results which incorporate full available gas reinjection. No change has been made to the facilities costs (compression, flowlines, injection wells) as the flexibility to accommodate this scenario is already incorporated into the base case design basis. While uncertainty exists, which will be reduced by production and injection experience, the simulation indicates that gas re-injection will result in a greater recovery of Ghana's hydrocarbon resources. The re-injected gas would be recovered later in the life of the field – the value of the gas recovered during a blowdown phase has not been considered in the economic scenario presented.

In summary, the Jubilee Field Phase 1 Development Plan is believed to be economically robust.

6.0 FINANCING OF DEVELOPMENT

Phase 1 development costs will be self-financed by the Jubilee Field Unit Interest owners according to their pro rata paying interests. Each of the Jubilee Field Unit Interest

owners acknowledges their respective funding requirements and associated obligations under this Phase 1 Development Plan.

The Jubilee Field Unit Interest owners agree that project financing is not feasible to fund Phase 1 development costs. The Jubilee Field Unit Interest owners will consider all appropriate financing options, including but not limited to project finance to fund any possible subsequent phases of development.

The Jubilee Field Unit Interest owners acknowledge that their financings will take account of all development and associated obligations under the terms of the West Cape Three Points and Deepwater Tano Petroleum Agreements.

7.0 ENVIRONMENTAL, HEALTH AND SAFETY

Upstream EHS regulations in Ghana are under development and revision, and are currently, primarily focused on those enforced by the Ghana Environment Protection Agency (EPA). This includes requirements for permitting exploration and development wells, Environmental and Social Impact Assessments (ESIAs), and obtaining a Development Permit. Both Technical and Unit Operators have also been participating in EHS and security forums to understand the impact of potential changes to regulatory frameworks on the development.

Pro-actively, in the absence of current regulations, the Jubilee Technical and Unit Operators have worked cooperatively with the Ghana Government agencies (EPA, GNPC, and Ministry of Energy) and have adopted, where applicable, internationally recognized EHS standards. Examples include:

- World Bank /IFC Standards/MARPOL.
- International Association of Oil and Gas Producers (OGP)
- American Bureau of Shipping (ABS) Classing Standards
- Safety Case Framework as typical to UK North Sea
- United States of America Coast Guard Regulations

The Jubilee Unit interest owners have also adopted the following MISSION on Environment, Health and Safety (EHS). The expectations and philosophy of this policy will govern all aspects of the Jubilee Field development. Meeting this commitment is a responsibility shared by all employees, business partners and subcontractors. Key project and operational goals for EHS measures have also been established.

7.1 Mission and Goals

The Jubilee Field development will ensure EHS is a high priority during design, construction and operation. We will conduct our business with respect and care for our employees, subcontractors, communities and the environments in which we operate. We

will accomplish this by creating enduring value, practicing stewardship through corporate social responsibility and operating in an environmentally sustainable manner.

EHS goals for the project phase have been established as follows:

Lagging Indicators:

- Total Recordable Incident Rate (TRIR) \leq 2.5
- Total Lost Time Incident Rate (LTIR) \leq 0.6
- Zero Level II or higher spills ($>$ 10 barrels)

Note: rates are consistent with 2007 OGP reported rates

Leading Indicators:

- On-time completion of planned Safety Case, Audits, HAZIDs/HAZOPs, and training
- Risk acceptance criteria defined in the Safety Case for Major Accident Events target between 1×10^{-3} to 1×10^{-5} individual risk per annum.

EHS goals for the operations phase have been established as follows:

- Zero flaring during normal operations
- Maintaining discharge of produced water within established limits
- On-time closeout of HSE Action items (i.e. from audits, inspections, drills, investigations, HAZIDs, HAZOPs, etc.)
- Completion of Safety Critical Element maintenance and verification activities as per Safety Case.
- On-time training for Health and Safety Critical Positions
- Senior Leadership EHS walkthroughs
- Yearly established TRIR and LTIR goals

7.2 EHS Management System

The execution of the Jubilee Field development will be governed by the following expectations and operating philosophy of the EHS Management System (EHSMS). The EHSMS has been built from the existing Unit Operator EHSMS and applies equally to project and operational phases to ensure a seamless transition. Appropriate procedures, plans and programs will be implemented during the course of the project to ensure that these management expectations are met. Applicable elements expected of subcontractors have been communicated and explicitly included in an attachment to all contracts (entitled "EHS Performance Requirements").

The twelve key elements and expectations are:

Policy & Leadership - The Unit Operator and IPT Technical Operator leadership will establish policy, provide perspective, set expectations and provide the resources for responsible EHS management of the Jubilee Field development.

Risk Management - Appropriate risk management techniques will be employed throughout the project to protect employees, subcontractors, communities and the environment, and to preserve assets, investor value and the reputation of the Unit Operator and the IPT Technical Operator.

For example, during the development of the POD, HAZIDs and IIAZOPs were conducted on the design and the actions raised from these assessments have been carried through and addressed in the execution phase of the project.

A Safety Case is also being developed for the Jubilee development by the Unit Operator in conjunction with the project team and major subcontractors. There is currently no formal in-Ghana requirement for a Safety Case but it is considered a very prudent method to manage risks in the Upstream, whilst the Unit Operator and the key FPSO subcontractor parties are highly familiar with it as a means to assess and manage risks and change to an upstream project. Moreover, as per other industries in Ghana such as mining whose EHS aspects are monitored by Mines Department using the existing laws. GNPC will monitor and audit EHS aspects of the development through deployment of safety officers. The Safety Case will cover both Design and Operational aspects of the project. The Safety Case will be owned by the Unit Operator and will be submitted for third party verification. As part of the Safety Case, formal safety assessments (FSA's) are being conducted during the design phase of the project. From these, recommendations are being made for reducing risk both in the design and in the operations phases to as low as reasonably practical (ALARP). The FSAs include:

- HAZID for identifying Major Accident Events
- IIAZOPs for Topsides, Marine, and Subsea systems
- Fire Risk Analysis
- Gas Release and Plume Dispersion Hazard Analysis
- Explosion Risk Analysis
- Escape, Evacuation, and Rescue Analysis
- Safety Integrity Level (SIL) Assessment
- Dropped Object Study
- Quantitative Risk Analysis
- Identification of the Safety Critical Elements (SCE) and related performance standards for integration into testing and maintenance schemes/schedules

Facilities Design & Construction - Sound standards, procedures and management systems will be utilized for facility design, construction, commissioning and startup activities to ensure safety and minimize risk to health and the environment. Examples of

typical international standards that will be applied have been provided in the facilities description section.

Information & Documentation - Information on the design, configuration and capabilities of processes and facilities and infrastructure, potential environment, health, and safety hazards and all legal and regulatory requirements will be documented and maintained, and made readily accessible for review to acceptably manage the risks associated with the development.

Personnel & Competence - The success of development operations depends on competent people. Effective selection, placement, ongoing assessment and competence of employees and subcontractors executing the development will be ensured. Proven designs will be used and reputable service providers employed.

Operations & Maintenance - The development will deliver facilities which have effective operating and maintenance procedures and practices in place with reliable safety and control facilities, and competent personnel who consistently execute these procedures and practices.

The installation safety case will identify the "safety critical elements" of the process scheme and ensure that appropriate performance standards for these SCE's are in place and tested at regular intervals; these will be built into the FPSO subcontractors (MODEC) maintenance management system. The strategy is also to keep the topsides in ABS Class during the operations phase as a further verification step to ensure that the asset is being appropriately maintained by the subcontractor. The FPSO will be classed, as a minimum, by ABS as a IA1 Ship Shaped Oil Production and Storage Unit, FMS, POSMOOR, HELDK-SII, F-AMC, ECO. ABS will use their Guides for Classing which do provide minimum specifications for marine equipment and structures, safety systems, and process areas.

The selected FPSO subcontractor MODEC has their own well established maintenance philosophy to meet HSE and operational efficiency targets common to their world-wide operations.

Health & Safety - The development activities will be conducted in accordance with health and safety standards and practices that are adopted in the international E&P industry. Key Performance Indicators (KPIs) will be established to monitor performance and where possible to benchmark against the rest of the industry. Previously the EHS target goals for the project have been stated.

Environment Protection - We will operate in accordance with sound environmental practices and will respect the customary rights, cultural heritage, social values and resource utilization patterns of the countries where development activities occur. See the following section regarding the Environmental and Social Impact Assessment (ESIA) for

further details regarding the process that will be followed with respect to establishing environmental baselines and mitigations/action plans that will be carried out.

Incident Reporting & Investigation – An incident reporting system will be established to ensure management is notified and that incidents are properly investigated with the goal of preventing recurrence.

Emergency Response – We will develop Emergency Response plans that reflect the reasonably foreseeable scenarios associated with development activities.

Community Relations & Outreach – Open and honest communications will be established with the communities impacted by the development to build trust and confidence in the integrity of the Contractors and their parent companies, and their operations. A strong Corporate Social Responsibility (CSR) program will be developed and implemented.

Continuous Improvement - We will establish a process to measure the performance relative to the expectations established in this management system and to ensure that any lessons are learned and communicated to sustain or improve performance as appropriate.

Audits are included in the Project EHS Plan. Audits include design verification audits, construction site audits (both onshore and offshore), and Pre-start-up Review. EHS is also a core element of the Ready for Operations programme to ensure implementation of the EHS philosophies and objectives.

7.3 Programs, Plans and Procedures

To meet the EHS management expectations, the Unit Operator and the IPT Technical Operator are progressing with the following activities for their specific areas of responsibility.

- **Environment Impacts:** An Environment and Social Impact Assessment (ESIA) has been commissioned for the development area and the process initiated for this fast-track development in parallel with development activities. It will compare the scale, duration and intensity of the development activities to the current environmental conditions and identify potential risks. An Environment Management Plan will be developed to establish mitigation measures to minimize risks to the environment. The ESIA will cover all aspects of the project including drilling, project construction and later operational states for life of field. Example areas in drilling include drilling discharges; these are being managed already by using low toxicity oil based mud systems combined with state-of-the-art centrifuge and cuttings drying equipment. The base oil in the LTOBM is a highly refined mineral oil that has low aromatic content and low bio-toxicity. Base oil retention on dry cuttings will target a maximum of 5% v/v for the development wells for a maximum of the next three years whereupon any further development wells will comply with expected future

requirements at < 1% v/v. No free base oil will be discharged. Moreover, the drilling operation will conduct baseline and periodic seabed monitoring works to observe for any actual impacts. Use of production chemicals will also be assessed in the ESIA to demonstrate their requirement, efficiency and any environmental risks, and how these will be managed. A specific example regards hydrate management which is typically overcome in deepwater subsea systems using methanol. For instance, methanol requires mitigation of its flammability and any bio-toxicity issues (typical to many production operations chemicals); such chemical choices will be pro-actively demonstrated, and their risk mitigation measures included, in the ESIA.

The timeline for developing the ESIA and its scope has been reviewed with the Ghana EPA and includes: baseline data gathering which is currently nearing completion (at December 2008), followed by a scoping phase to be completed in late-February 2009, a public and stakeholder engagement process to take place from the beginning of January to late May 2009, and a target for the draft final ESIA to be submitted to Ghana EPA in July 2009. A 2-3 month approval process is expected – this would lead to an anticipated October 2009 approval ahead of major subsea installation works. Time has been spent understanding and incorporating the current environmental objectives of Ghanaian regulatory bodies and already feeding this back into the project design and later operational planning. Proven technologies have been incorporated at all stages for a deepwater FPSO development. Any subsequent improvements required ex-the ESIA process will still be built back into the design though the project team is using proven technologies and typical international standards for the project.

A key environmental and social management activity relates to fisheries in the area. There are no marine protected areas at or near the Jubilee Field, however, marine waters offshore Ghana are within the Central West African upwelling zone, with a major upwelling season from July through September and a minor upwelling season from December through March. Upwelling of cool, nutrient-rich water results in enhanced primary production, and therefore a situation conducive to high productivity for fish resources. Approximately 480 fish species are reported to be native to the coastal areas of Ghana, out of which approximately 180 are associated with deepwater habitats. Over 300 different species of commercially important fishes are also reported for Ghana. The upwelling zone at its peak approximately coincides with the Ghana Exclusive Economic Zone (EEZ), of which the area directly affected by Jubilee Field Phase 1 Development (approximately 64 km²) represents 0.03% of the EEZ's area. Although the Project's direct footprint can be seen as negligible with respect to the extent of upwelling and its impact on fish resources, potential impacts on fisheries do require careful management.

A 500 m safety/exclusion zones will be established around drilling rigs and a 1000 m zone around the FPSO. These zones will protect other vessels from collision with the Project vessels and fouling of anchor lines. Because the project is in deep water, the possible fouling of flow lines and subsea trees by nets and other fishing gear is

considered unlikely. However, the drilling units and FPSO can act inadvertently as fish attracting devices to which fishing communities may, in turn, be attracted. Maintenance of the safety zones will come through a combination of educating fishing communities onshore and intervention at sea in the Jubilee field. The zones will be regularly patrolled by standby vessel(s) and or fisheries patrol units which have already been employed successfully so far to ward local fisherman from coming too close. Rules of engagement have been developed to ensure proportionality in the enforcement of the zones. Any at-sea intervention will, in the first instance, be carried out by the Project's own vessels in a non-threatening way. Direct intervention by Ghanaian law enforcement may be necessary where a vessel persists in encroaching into a safety zone and approaching a Project vessel. Visible markers for the exclusion zones will also be considered for this deepwater setting if they prove reliable, so that third parties are aware of the existence and size of these zones.

The Government of Ghana is concurrently establishing a regulatory basis for the safety/exclusion zones to ensure that intervention in the field can be maintained without legal challenge.

Soft bottom sea-bed benthic communities are expected to be consistently present in the Project affected area. Although extensive hard bottom areas occur offshore of Ghana, a geo-hazards study conducted by the Project indicated there are in fact no hard bottom features in the Project area. The same geo-hazard study did not identify any seabed features (e.g., mounds, faults, craters, wipeout zones) that are known to be associated with high-density chemosynthetic sites. Therefore, the presence of chemosynthetic communities is not expected, although they have been reported in the region offshore of Ghana. The final results of the Environmental Baseline Survey will complement and provide assurance on these findings.

- **Safety Case:** the Unit Operator will develop a safety case for the Phase 1 scheme; key inputs will come from the FPSO provider and the IPT Technical Operator. The Safety Case will be based on typical UK North sea practice which has also been employed to similar deepwater FPSO schemes already in West Africa in Cote d'Ivoire, Angola and Nigeria. The Unit Operator applies the safety case approach to all major upstream projects; an example and equivalent large scale production development is the Hewett-Bacton complex in the UK North Sea which includes 5 platforms, 5 sub-sea field tie-backs and greater than 40 wells, plus a major gas plant. The Safety Case will describe the project and its key risks. It will describe how these risks have been assessed and managed. It will include both a design case review and operational case. The emergency response plan and oil spill response plan will be described. The mitigation measures for EHS risks will be described and how these will be implemented and verified; a quantitative risk assessment will be included for the facility and its personnel as a total operation; wells, facility, subsea, drilling, SIMPS activities, transport etc... The Safety Case will include all of the elements of the Safety Management System implemented by the Unit Operator (with any required

AM \$
JDA

bridging to the FPSO subcontractors EHSMS). The Safety Case will set performance standards for the Safety Critical Elements designed to manage associated risks (e.g. shutdown systems) and these standards will be integrated into the facility maintenance and testing procedures.

- **Oil Spill Response:** An Oil Spill Response Plan is under development. Oil spill response capability will be established in country (local equipment, personnel, dispersant, plans etc) and also through joining a West Africa and international "club" for minor, medium and major oil spill incidents.
- **Emergency Response Plan:** In addition to the Oil Spill Response Plan, an Emergency Response Plan is being developed, based on the Incident Command System (ICS) and Unified Command System. Pre-positioned response teams will be established in Ghana. Links to Ghanaian Government response, rescue and military agencies will be established.
- **Incident Reporting & Investigation:** Incident reporting guidelines have been developed to be applied to all project construction yards and in-country operations.
- **Waste Management Plan:** The Unit Operator, assisted by the IPT Technical Operator where appropriate, will work with the local business community and governmental agencies in Ghana to enhance in-country waste management capabilities to ensure that risks associated with improper treatment and disposal activities are minimized. The accepted waste management practices will be documented in this plan.
- **Environment, Health & Safety Performance Indicators:** We have adopted the collection of Environmental and Safety Performance Indicators that are endorsed by the International Association of Oil & Gas Producers (IOGP). Adoption of these indicators will enable the project to benchmark against industry and establish objectives to ensure top tier performance.
- **Subcontractor Safety Compliance & Oversight:** EHS performance requirements have been inserted in the various tender invitations that have been submitted to key subcontractors. The responses to these requirements in the bids are an important part of the bid evaluation and contract award processes. We are establishing a systems audit program to assess the overall EHS management approach being used by the various subcontractors working on the project.
- **Health:** We recommend that special precaution be taken for all personnel involved in the project to minimize risk of illness. All employees, subcontractors and visitors will be provided with a health induction and necessary medications, as required; an example is anti-malarials. Personnel will also be required to be informed of and vaccinated against a range of diseases identified as being prevalent. A medical



support system of on-site clinic/stabilisation facilities in event of medical incident, occupational health services and hospital support will be in-place.

- **Legislative & Regulatory Assistance:** The Unit Operator and IPT Technical Operator will assist the Ghanaian Government and its agencies as required in their development of an enhanced legal and regulatory framework regarding E&P activities, in the light of the major Jubilee discovery. The assistance will be through providing examples of experiences world-wide in all disciplines and aspects of upstream activity for due consideration in the upgraded regulatory decision making process.

8.0 **COMMUNITY DEVELOPMENT AND SOCIAL RESPONSIBILITY**

The Corporate Social Responsibility (CSR) policy of both the Unit Operator and the IPT Technical Operator is to conduct all activities to best industry standards and to behave in a socially responsible manner.

8.1 **CSR Values**

Our goal is to behave ethically and with integrity in the communities where we work, and to respect cultural, national and religious diversity. Our CSR values include:

- Awareness of and respect for the Republic of Ghana
- Contribution to and support of local communities
- Balanced environmental and business risks
- Empowerment and support of the individual
- Valued and fostered long-term relationships
- Transparency in our activities and reporting

8.2 **CSR Strategy**

The Jubilee Unit interest owners, employees and subcontractors are responsible for ensuring compliance with this policy. The core elements of the CSR strategy are to:

- Respect the rights of all employees, treating them fairly and without discrimination
- Commit to providing opportunities for staff development
- Provide equal employment opportunities
- Recognize individual and team contributions
- Ensure compliance with all Health and Safety (EHS) policies by all personnel involved in our activities
- Provide clear direction on key CSR initiatives, policies, performance data and targets
- Actively engage in and support community development, namely in the areas of health and education, surrounding the Jubilee Field development's area of operations
- Support selected social and community development projects through directly managed projects, NGO partnerships, and/or local authorities



- Maintain high ethical standards and support transparency in our activities
- Encourage our partners and stakeholders to observe similar standards wherever possible
- Support local content development to meet industry standards

To support the above policy, values and strategy, the Unit Operator, assisted by the IPT Technical Operator, will implement a strategic plan for Community and Social Responsibility projects and initiatives on behalf of the Jubilee Unit. The plan will also be integrated and consistent with the CSR activities conducted by the Operators of the exploration licences in which the Unit is located. The identified projects will aim to benefit both the community and the Jubilee Field development. Each project identified will have reviewable objectives to ensure project success.

CSR Planning

The Jubilee CSR plan will be approved by the Unit Operating Committee on an annual basis as part of the work planning and budget cycle. The plan will be continuously improved through time and bring all stakeholder parties together in its development and execution. The social and economic impact factors identified in the project ESIA work program will be a key input to the initial plan development. The plan covers CSR objectives, organisation, identification of programs, consultation processes, selection, execution, monitoring and improvement steps. The organisation aspects will include the creation and running by the Unit Operator of Social Responsibility Committees (SRC's) at the National, Local and Community level. Direct and local stakeholders and the impacted communities will be represented on the committees. This is a key element of building a constructive relationship for the long term with the local communities.

The SRC's will be mandated to provide recommendations for ensuring highly effective communications from the lowest levels to the highest levels and back down again, resolve any disputes, and negotiate the allocation of Jubilee Development benefits to communities

The initial Jubilee CSR efforts will focus on building community capacity to participate in a meaningful way in the partnership's CSR programs and strategies. The initial plan has already been prepared for review by GNPC, other Government agencies, NGO's and community stakeholders in 2009. The Jubilee CSR program strategy will focus on four key areas, namely Health, Education, Enterprise Development, and Biodiversity. The objectives for each of the areas of focus are:

- **Health** - To promote and foster programs that will enhance the wellbeing of the stakeholders identified as project affected people.
- **Education** - To build the local human capacity to support the oil industry in the coming years

- **Enterprise Development** - To encourage diverse programs and initiatives that will prepare a number of Ghanaian entrepreneurs to fully participate in the oil services industries and activities.
- **Biodiversity Conservation**-To maintain the quality and extent of Ghana's marine and ecological communities and the ecosystem service that they provide.

Therefore, identified projects will aim to benefit both the community and the Jubilee Field developments long term place in that community. Each project identified will have reviewable objectives to ensure project success. Example focus areas initially are displayed below. These are not mature at this time but show example areas that are likely to be focused upon

Objective	Targets
<p>Health – To promote and foster programs that will enhance the wellbeing of the local communities/villages closest to the offshore operations</p>	<ul style="list-style-type: none"> ➤ to support the elimination of the endemic and communicable diseases in the area (for example Buruli Ulcer, Lymphatic Filariasis, HIV/AIDS and Malaria) ➤ to provide health infrastructures, ➤ to provide Primary Health Care education, ➤ carry out capacity building and through a mix of service delivery mechanisms, policies and strategies, ➤ to reduce the impact of disease disability and prevalence.
<p>Education – To build the local human capacity to support the oil industry in the coming years</p>	<ul style="list-style-type: none"> ➤ to support the National Education Reform Programme Jubilee CSR, ➤ to expand physical infrastructure, or rehabilitate the dilapidated structures, ➤ to support teacher training programmes, ➤ to provide teaching and learning aids materials, ➤ to strengthen the management capacity of the local and district education institutions, ➤ to support the training and development of petrochemical industry expertise in Ghana through the establishment of a fund.




<p>Enterprise Development - To encourage diverse programs and initiatives that will prepare a number of Ghanaian entrepreneurs to fully participate in the oil services industries and activities.</p>	<ul style="list-style-type: none"> ➤ to strengthen the economic base of the local communities through the promotion of alternative livelihood projects, ➤ to promote ecotourism, ➤ to develop local service industry and training in best practices in the artisanal fishing industry and marketing. ➤ To reduce the expectations and community dependency on the Jubilee Partners and CSR.
<p>Biodiversity Conservation-To maintain the quality and extent of Ghana's marine and ecological communities and the ecosystem service that they provide.</p>	<ul style="list-style-type: none"> ➤ to invest in protecting biodiversity to support poverty alleviation, food security and sustainable economic development, ➤ to maintain the environmental services which the communities depend upon, ➤ To maintain intact ecological processes, ➤ to secure and protect some of the world's most threatened species, ➤ to mitigate global warming and climate change threats.

The Unit Operator will translate the broad policy goals and objectives into visible results in the form of specific projects or programmes of action, through the SRC forums. The CSR programs are intended to serve as a development catalyst in the beneficiary communities. Resources will be mobilised, organised and managed as needed to undertake the actions embodied in the CSR development proposals by:

- Making available the required resources at point of delivery, especially in west Ghana.
- Assembling, control and manage the resources to achieve our CSR agenda.
- Communicating effectively to all actors and operators, what is required of them.
- Managing the CSR implementation process.

The CSR plan will provide further details of the SRC structure, the identified stakeholders, the process to be followed and the execution organisation.




The annual budget assigned to CSR programs will be set by the Jubilee Unit Operating Committee and its final magnitude will be set based on the number of quality and viable work programs and fronts that can be sustained.

9.0 PROJECT EXECUTION

9.1 Organization

The Unit Operator is responsible for the conduct of all Unit Operations except for IPT Technical Operations, which are entrusted to the IPT Technical Operator. The Jubilee Field Integrated Project Team (IPT), established by the IPT Technical Operator, will be responsible for executing the Phase 1 project and providing a fully commissioned system to the Unit Operator's Production Operations organization. The IPT will be led by a Project Director who will report to the Unit Operating Committee. Figure 125 illustrates the IPT organization.

Key positions on the IPT are filled by staff from the three major Jubilee Field Unit Interest owners and GNPC. This provides a very experienced core team that leverages the combined strengths of all partners. Virtually all of the key positions for execution are carried over from the pre-sanction phase, providing valuable continuity for a seamless transition into execution.

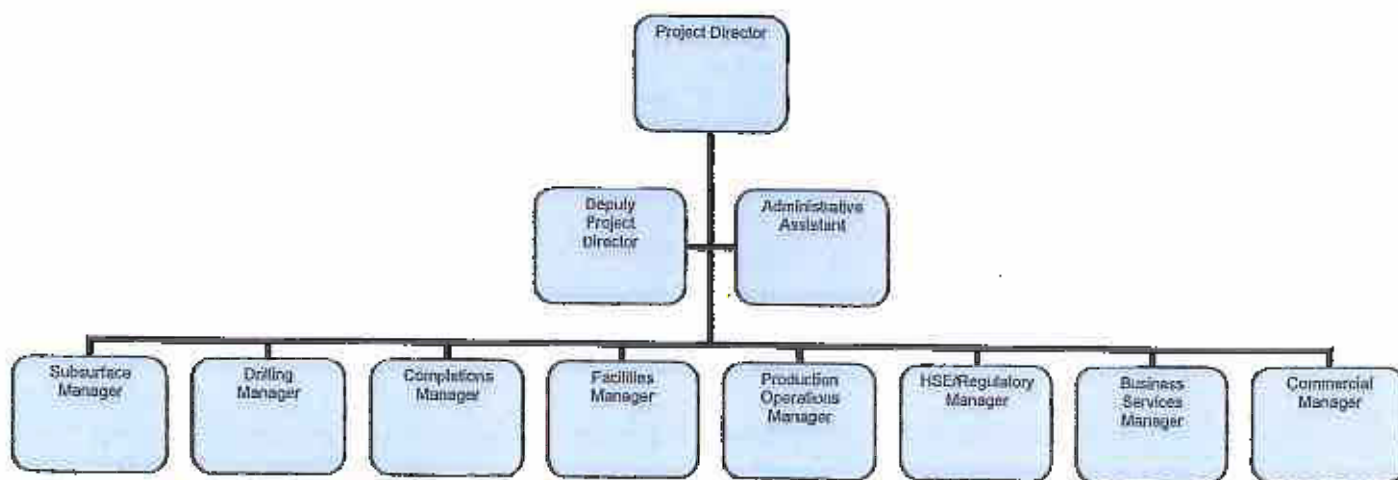


Figure 125: Project Execution Organization

In order to effectively carry out and manage the project activities, the team is comprised of delivery teams (Facilities, Drilling, Completions) and functional teams (Subsurface, Business Services, EHS & Regulatory, Production Operations, and Commercial). Each of these teams is lead by a manager, and these managers, along with the Project Director and Deputy Project Director, comprise the Jubilee Leadership Team (JLT). The JLT

provides the overall leadership, makes decisions, and sets the strategic direction consistent with the sanction case and delegated authorities.

The Facilities Team is organized consistent with the contracting strategy, with a lead project engineer responsible for each major delivery area, i.e. FPSO, Subsea Equipment, and Installation. In addition, a centralized facilities engineering group will support all three delivery areas.

The Drilling Team and Completions Team both are organized to develop the initial basic design and then coordinate with the Unit Operator's Wells Engineering Team as they carry out the detailed procurement and execution steps necessary to deliver the wells. The Drilling and Completion teams will be responsible for providing the strategic direction around well sequencing and simultaneous operations to ensure alignment with overall project requirements.

9.2 Project Execution Plan

The purpose of the Project Execution Plan (PEP) is to describe the Jubilee Field Phase 1 Development Plan project execution process, demonstrating that the execution strategy is coherent and robust, and takes into account all relevant factors. The quality of the execution organization will be maintained at a high level to ensure that the project is delivered within EHS, quality, cost and schedule requirements. The PEP defines project management functions which include: interface management, integration management, EHS management, quality management, cost and schedule management and documentation management. The PEP covers the period from project sanction through detailed design, purchasing, fabrication, installation of facilities, commissioning and handover to operations.

The key objectives of the PEP are:

- To demonstrate how the Project will be executed safely, within agreed environmental, technical and commercial requirements, and to maximize economic benefit for the stakeholders
- To describe how particular challenges relating to various degrees of technical definition and the organization in place at Sanction will be managed
- To document the Project objectives and targets with respect to health & safety, environment, quality, schedule and cost
- To describe the Project management controls with respect to management of change, cost, schedule and quality

- To record interfaces, responsibilities and communication within the Project and between the IPT and other parties
- To provide, in one document, clarity on roles and responsibilities in the IPT with respect to core management processes and control points.

The PEP is a live, controlled document and addendums may be issued to the document between updating. The Project Director is the custodian of the document and responsible for ensuring that it is updated as required. Notwithstanding the above, the PEP will be reviewed and updated on a regular basis, after project sanction.

9.3 Interface Management

Integration of project activities across teams, subcontractors, and external stakeholders is important to ensure that the development objectives are met and Phase 1 performs as an integrated system. Integration management is the responsibility of all JLT members, with project-wide focus the responsibility of the Project Director and Deputy Project Director. An important element of integration is management of interfaces. Facilities interfaces have been minimized through a contracting strategy which somewhat limits the number of major subcontractors and suppliers. Many interfaces within each major contract will be the responsibility of and will be managed by the individual subcontractors. Major contracts include:

- Floating Production Storage and Offloading (FPSO) facilities,
- Umbilical, Riser, Flowline (URF) construction and installation
- Subsea Production Systems (SPS)

Smaller but critical contracts or sub-contracts will also require a degree of interface management. These include:

- Subsea Control Umbilical manufacture
- Flexible Riser design and manufacture
- Subsea Engineering Services
- Facilities, Process and other Engineering Design Services

Global Interface Management will be the responsibility of the Deputy Project Director. He will coordinate those interfaces between the functional project groups and ensure the Management of Change (MOC) process is adhered to for the duration of project execution. Critical functional interfaces include Subsurface, Drilling, Completions, Facilities, Production Operations and HSE/Regulatory groups. High level interfaces between the IPT and the major subcontractors are also critical to successful project execution. Most of these interfaces reside within the facilities group where the FPSO, URF, SPS and subsea engineering contracts will be managed. The Deputy Project Director will be responsible for coordinating the exchange of information, interaction of

AM
JJA

subcontractors' discipline engineers, and facilitating interface meetings between subcontractors and the IPT.

The Deputy Project Director will ensure interfaces are properly captured, documented, expedited, controlled and delivered on a timely basis. Dedicated resources within the Facilities team will be provided by the subsea engineering subcontractor (INTECSEA) and will include a Project Interface Coordinator and appropriate systems that will generate reports on a weekly basis that show overall interface registers, summary sheets showing new interfaces for each week, closed interfaces, and ongoing or in process interfaces. The register will contain any new comments or information pertaining to each. A copy of the forms used to capture and manage the interfaces will be maintained by the Project Interface Coordinator. Once the interface is closed, the completed form will be sent to all stakeholders and to the IPT document Control System (Livelink).

10.0 PROCUREMENT STRATEGY

The main goal for the contracting and procurement of goods and services for the development of the Jubilee Field is to achieve the completion of the total project engineering and construction work to specification, for the agreed price and within the agreed schedule, subject to compliance with the Petroleum Agreements and applicable laws. The scope includes the major offshore works and also the onshore infra-structure build and organisational development. By necessity the major offshore works will be executed typically by large scale international subcontractors but local content aspects will still be key. This will be maximised as much as reasonably practicable and involve the development of local capability wherever this can be achieved in a timely fashion for the implementation of the POD and targets will be set for this in discussion with GNPC for approval by the Minister for Energy. The Contractor will make subcontractors aware of the legal requirements for local content and of the need to achieve the targets that have been agreed. Importantly, infrastructure development onshore will also provide increased opportunity for local businesses in the project. The development will clearly also lead to later operation and maintenance activities where local support will be key to maintain production. The contracts are the main management mechanisms, or tools, used to achieve and control the work.

The contracting and procurement of goods and services will be executed in accordance with the Petroleum Agreements, applicable laws and established project procedures and principles. This includes all requirements for appropriate contracting procedures including competitive tender and also with respect to the targeting of local content. Where necessary, approval of deviations will be requested and recorded. Only companies that demonstrate sufficient technical and commercial strength will be pre-qualified as candidates. Contracts will only be awarded to the candidates that can demonstrate the appropriate degree of technical and commercial ability/capability, together with experience, capacity and control, including quality and EHS management.

All major subcontractors active in-country will be expected to register with the required Government agencies and at all times also abide by statutory local content requirements.

The main drivers to the project procurement strategy are:

- Aggressive schedule for earliest first oil
- Tight supplier market world wide due to current increased activities within all areas of O&G industry
- Competition rules and local content requirements in the Petroleum Agreements
- The project will work to reduce potential direct and indirect risk resulting from this by:
 - Accelerated execution of proposal process with the aim to secure early commitments from capable subcontractors with ability to perform within project schedule
 - Selection of subcontractors with most inherent flexibility and capability, e.g., facility availability, deepwater experience, etc.
 - Early identification and securing of long lead items and critical deliveries and utilization of world wide sourcing to secure competitive deliveries, if necessary pre-sanction
 - Through GNPC, determine capabilities and utilization of the Ghana supplier industry
 - Build inherent flexibility into project execution plans to mitigate consequences of any unknown requirements or delays during approval stage

Contracting Methods

The IPT Technical Operator and Unit Operator, for their respective areas of responsibility, will use the contracting methods that best support the schedule, cost, and quality goals for the particular work package and scope in question. EHS and local content/development aspects will also be assessed with a high priority.

Industry leading project performance will be pursued through collaborative efforts with the subcontractors. The associated contracting models will seek to assign project cost and schedule risk to the subcontractor primarily in areas where the subcontractor can effectively control the outcomes around the risk. The IPT will assume risk where it is

accepted industry practice to do so and/or where it is perceived that the subcontractors would otherwise price the risk at excessive premiums.

A significant key to successful project execution is to create an inclusive culture and display exemplary behaviors in the wider project (including subcontractors), valuing contributions, respecting individuals and working towards a common goal. A key element of this culture will be making timely decisions that are "best for project" and foster a "win-win" attitude.

In order to support the sanctioned project schedule, appropriate business risks will be taken to enable the development to progress. Existing master service agreements (MSA's) and letters of intent (LOI's) will be utilized as and when required to assist in securing commitments from service subcontractors for the goods and services needed to develop the field. As appropriate, materials and goods will be purchased in advance of approval of this Phase 1 Development Plan.

To support the goal of building relationships in the Ghana community, the contracting strategy will leverage the resources resident within the Ghana contracting community when local subcontractors are cost and schedule competitive. This will also involve the development of in-country capability and the training of staff to support the later operational phase. Subcontractors will register in-country to execute the project and major players will present local content plans and demonstrate commensurate plans for the development of Ghanaian personnel.

Contracting Structure

The contract structure will be selected with due consideration to the actual commercial framework relevant for the development of the Jubilee Field, as well as the actual findings of the market assessments and the continuous developments in the relevant supplier markets.

The objective is to have a manageable number of contracts with well-defined technical and commercial basis and interfaces. The complexity, sizes and values of the contracts will be consistent with proven market capacity and competence, and will allow for competitive tendering where possible.

The following main project scopes have been identified:

- Pre-FEED Studies/FEED – FPSO/process engineering and subsea engineering
- FPSO – provide vessel, conversion/build engineering, procure, conversion/build construction, transit to site, moor, commissioning, start-up and production operation
- Subsea Production System (SPS) – design, procure, manufacture and transport of wellhead and tree assemblies, manifolds, subsea and associated topsides



wellhead control equipment, umbilical system distribution components, flowline and umbilical connectors and associated ROV tooling.

- Subsea Umbilicals, Risers, and Flowlines (URF) Installation and Construction -- design, procure, manufacture, fabricate, install, subsea construct and test of umbilicals, risers and flowlines.
- Umbilicals -- design, procure and manufacture of umbilicals

In the later operational phase of the development the full range of upstream activities will be covered including logistics, consumables, aviation, marine, EHS, office support, recruitment, vehicles etc.. These long term services are key to building local capabilities.

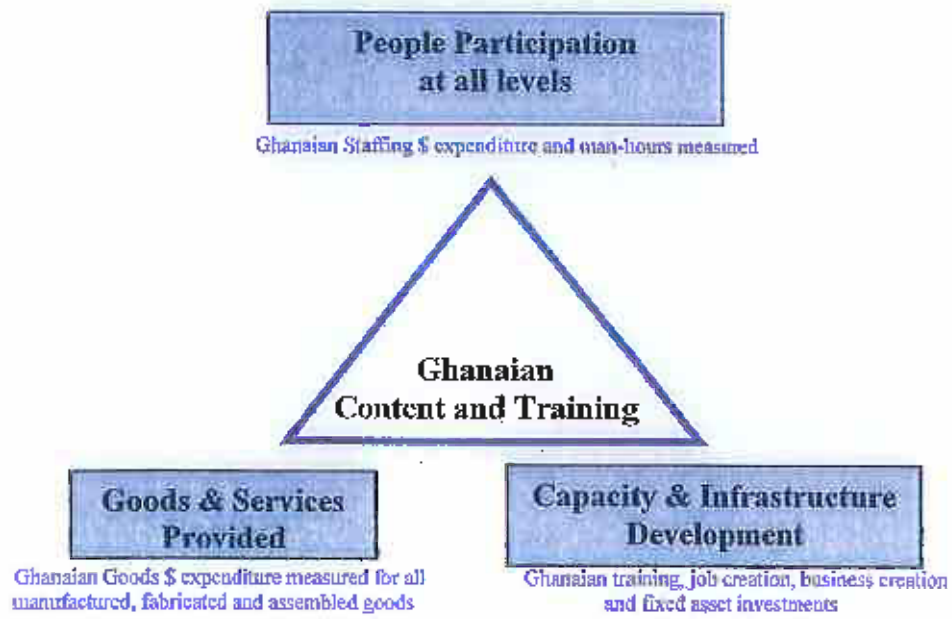
11.0 NATIONAL TRAINING AND EMPLOYMENT PLAN

11.1 Overview

The Contractor is highly committed to being a positive contributor in Ghana. Training and employment are two key focus areas for the Contractor. The Contractor has adopted the following vision and mission statements, with respect to its business in Ghana:

- "The Contractor is recognized as a local presence and a positive contributor to the wellbeing and advancement of the Ghanaian people and their economy."
- "The Contractor and its service providers will develop the Ghanaian participation in their activities at all levels and provide training to the Ghanaian people so that they may obtain the necessary skills to achieve this participation."

It is the goal of both GNPC and the Contractor to develop Ghanaian participation in the project at all levels, with the requisite technical expertise, and this is a key requirement during the review of any material or service contract. Service providers to the upstream industry in Ghana will register with GNPC and provide details of their optimized local content, national employment and training plans. This applies equally to national and international subcontractor parties to the project. The Contractor has further specified that these service providers will prepare Ghanaian Content development plans, clearly displaying a commitment to this goal, in all tender submissions. Assessment of this area is a key feature of tender evaluation work. The Contractor has defined Ghanaian Content as all services provided, made or originating in Ghana by Ghanaian businesses owned by Ghanaian citizens. The Contractor measures Ghanaian Content in three areas: people participation, goods and services provided, and overall upstream capacity and infrastructure development. The illustration below shows the relationship between the three elements:



[Handwritten signature]

AM \$
JTA

The following further outlines the measures required in each of the above areas, which the Contractor will implement and report to GNPC and the Ghanaian Government (quarterly and annually).

People Participation	<ol style="list-style-type: none"> 1. Total expenditure on Ghanaian employment 2. Total man-hours of Ghanaian employment 3. Total numbers employed of Ghanaian citizens
Goods & Services Provided	<ol style="list-style-type: none"> 1. Total expenditure on Ghanaian Manufactured Goods 2. Total expenditure on Ghanaian Fabricated and Assembled Goods 3. Total expenditure on Ghanaian Services & Equipment
Infrastructure Development	<ol style="list-style-type: none"> 1. Total number of Ghanaian Training Days 2. Total expenditure on Ghanaian Training Performed 3. Total number of new Ghanaian Jobs Created 4. Total number of new Ghanaian Businesses Created 5. Total capital investment in new Ghanaian Fixed Assets

11.2 Employment Plan and Training

Requirements regarding Employment and Training, under the Petroleum Agreements for the two license Blocks in which the Jubilee Field is situated, will be met with the Contractor fully committed to providing employment opportunities for Ghanaian personnel as far as reasonably possible in its own organization and ensuring the same also applies to subcontractors.

The Contractor's organizational philosophy and development plan notes the number of personnel, professions required and technical capabilities required to efficiently conduct Petroleum Operations on the Jubilee Field Development. The Contractor will present a human resource Nationalisation Plan to GNPC for discussion and subsequent approval in early 2009. This plan includes a strategy for national employment including recruitment, associated training and personnel development, and a longer term (4-8 year) objective to develop national staff into the majority of senior positions including deepwater operations and technical management. Moreover, senior general and professional support management positions (e.g. Legal, HR and External Affairs) in 2009 have already been filled by national employees.

Recruitment of Ghanaian staff will involve national advertising campaigns and local recruitment agency work to identify qualified staff across all disciplines. Furthermore,

international recruitment efforts for returning Ghanaian nationals are also targeted for those with particular upstream skills.

The Contractor (Unit Operator) expects in country an organization of 150-200 personnel just after first oil which will be composed of national staff and a limited number of key expatriate management and technical specialists. Expatriate positions will be both residential and rotational work pattern to a home country base. We would anticipate that the initial national workforce will be 70-80% of the total. The Unit Operator has a plan involving full training, mentoring and job shadowing for national staff which over the following 4-8 years should lead to upwards of 90% of Unit Operator positions becoming national employees and subcontractors in its own organization dedicated to the Phase 1 development and subsequent production operation. The baseline timing for the start of the formal nationalisation plan is late 2008 and a program of national recruitment and development has already commenced, including arrangements for secondees from GNPC. We anticipate that induction and foundation training in the oil industry will take between 1-3 years for new potential technical specialists and graduates (this may include tertiary education for select disciplines), followed by 3-5 years to attain competencies to then be able to start to takeover supervisory and senior specialist roles. Therefore, a range of between 4 to 8 years is a realistic target to fully develop supervisory and technical staff to an international competency level in the oil industry, which is substantially new to Ghana. Based on experiences in West Africa, where the oil industry has developed significantly over the last 10-15 years, this is also a practical benchmark and indeed still an aggressive target which the Unit Operator is committed to achieve; for example new production operation staff technicians for the FPSO will typically take 3-5 years alone to attain full plant and control room competencies for the FPSO before then moving to supervisory positions. Moreover, where experienced personnel are available and developed further with the requisite competencies for managing a large scale deepwater project, then there will be an opportunity to accelerate the nationalisation program. The development plan for national staff – its details and timeframe – will be refined in conjunction with GNPC starting with review of the Nationalisation Plan mentioned previously in early 2009.

Clearly, if later Phases of Jubilee development did eventuate then further employment opportunity would arise (both employee and subcontractor), as well as repeat build-up's of expatriate staffing and subsequent training of national staff in following waves. Indeed, in the steady state operation of the Phase 1 facilities we would anticipate total expatriate numbers to actually decline gradually over 4-8 years and this would be achieved by national promotion after training programs are complete and deployment of several of the expatriate staff and subcontractors to other Contractor projects in Ghana or elsewhere world-wide. As a prudent Operator, the organization size and scale must align with the production profile/revenue that is actually realized and therefore plans and requirements will be continuously updated.

The Unit Operator plans for a headquarters in Accra and a substantial onshore supply / support base at Takoradi. Approximately 30-40 positions of total positions are initially

envisaged at Takoradi where they will be involved in the running of the shorebase and port arrangements, and local administration. Organization charts for the Unit Operator have been designed and recruitment work has made significant strides already. Infrastructure development of offices and shorebase-logistics areas is also well underway.

The Unit Operator plans to implement a designed training program in 2009 onwards which will enable training of technical and administration graduates/apprentices every year in its own organization. Selected candidates will have the opportunity to train overseas and in tertiary education programs. The Unit Operator will plan for these staff to rise through the organization over 4 - 8 years to positions of substantial responsibility. The Unit Operator anticipates positions will be available under this program in sub-surface, well engineering, finance, facilities, production operations, human resources and IT.

The Contractor intends to continue to provide secondment opportunities for a mutually agreed number of personnel nominated by GNPC to provide on-the-job training, during all phases of the Jubilee Field Development. This will also include opportunity offshore on drilling rigs and on the FPSO, where contractual arrangements with the service providers have already been put in place.

The Contractor is fully committed to sharing technical knowledge on the petroleum industry with GNPC. The Contractor will utilize various methods including technical exchanges, forums, workshops and membership in technical organizations to facilitate knowledge transfer. The Contractor will establish a curriculum (on an annual basis) of training programs for Ghanaian personnel for work in Petroleum Operations and to promote the transfer of management and technical skills, necessary to efficiently conduct the Jubilee Field development.

All training will be placed in the context of a competency plan so that training can be set against international standards and benchmarks for the upstream industry. To this end, the Contractor will set up a Competence Management System (CMS) to be based on a set of standards, each defining the competences required for a particular job. Such standards will need to define how a task is performed with the necessary underpinning knowledge and understanding required to do that job and deal with any unexpected circumstances which may arise. Individual competence will need to be measured by workplace assessment and quality systems are used to maintain standards. The CMS will need to encompass the performance and development of all personnel into a structured, measured system to give the organization control over risk and cost at all stages of the competence management lifecycle – selection, training and development, staff deployment, carrying out the role and performance assessment.

In conjunction with the CMS the system will be strategized and carefully implemented to ensure that it is embraced through the whole organization – from senior management to operational levels. It will have effective organizational policies, and fully documented procedures and processes to be implemented and regularly reviewed. Fundamentally the CMS will need to improve the organization's business performance and have standards of



competence designed to fit the needs of the business and the organization. The CMS system will require sufficient staff and financial resources allocated for its design, implementation and maintenance. This will allow not only trainers and supervisors but also sufficient staff by way of qualified assessors and verifiers to meet the demands of the assessment and verification activities. The Contractor has built this into its organizational design. The Contractor will engage an internationally recognized organization to assist in its training planning.

The Contractor has also engaged already with key subcontractors, e.g. FPSO and drilling rigs, and all service contracts contain requirements for maximizing employment and training opportunity for national staff. Plans are satisfactory and will provide opportunity for national staff and goods supply across a wide spectrum. The Contractor will monitor performance.

12.0 GAS UTILIZATION

Plan for Gas Utilization

Based upon analysis of a range of natural gas infrastructure configurations carried out by the Contractor, the Contractor considers production, processing and utilization of the Associated Gas from the Jubilee Field to be economic.

The Government of Ghana has determined a policy for Associated Gas from the Jubilee Field Unit under which:

- a) Natural Gas infrastructure, transportation and processing downstream of field facilities should be developed and owned by GNPC; and
- b) Except for quantities required for Petroleum Operations, GNPC shall be the off-taker for the Natural Gas from the field with delivery at the outlet flange of the FPSO.

In the light of the above considerations, the Contractor and GNPC agree in principle, for Associated Gas produced from the Jubilee Field Unit, the following gas utilization plan:

- a) Natural Gas supplied to GNPC at the outlet flange of the FPSO thereupon becomes the property of GNPC in accordance with the provisions herein.
- b) GNPC will be responsible for the development of the gas infrastructure downstream of the field facilities (the "Plan"), including, without limitation, planning, designing, financing, building, owning and operating. All costs associated with any part of the Plan will be borne by GNPC.

- c) GNPC and the Contractor will co-operate in optimizing and finalising the Plan and will define the Plan's interface with the Jubilee Field facility, ensuring that the Plan will not prevent, delay or reduce the operability or efficiency of the oil development in accordance with good oilfield practices.
- d) Subject to gas reinjection and delivery limits set out in Subsections 12(e) below, a quantity of 200 bcf of the Contractor's wet net gas (the "Foundation Volume") shall be supplied at zero cost from the total available wet net Gas produced, in support of the Plan. "Wet net gas" is defined as Natural Gas produced from the Jubilee Field Unit, less that used for fuel for the field facility and gas lift (if applicable). Liquids extracted from the fuel gas and from any gas that may be required for reinjection shall also be supplied to GNPC free of charge but such liquids shall be included in the determination of the 200 bcf total of natural gas referred to herein.
- e) The Foundation Volume will be delivered at the outlet flange of the FPSO from wet net gas, less up to 30 % of the wet net gas which will be re-injected into the reservoir provided that gas re-injection is technically appropriate and will enhance oil recovery. To the extent feasible, gas to be reinjected shall be stripped of liquid prior to reinjection.
- f) If gas re-injection becomes inadvisable from a reservoir management point of view, then the Contractor will make up to 100% of the wet net gas available to GNPC.
- g) If GNPC's gas infrastructure is not in place by the commencement of oil production, or if Natural Gas off take by GNPC is curtailed or interrupted, the Contractor may re-inject the wet net gas which GNPC does not take into the Jubilee Field Unit formations.
- h) GNPC and Contractor will negotiate in good faith the price for Contractor's share of Natural Gas produced beyond the Foundation Volume within the framework of the Petroleum Agreements and the laws of Ghana.

Recognition will be given to the Contractor's role as foundation supplier for the Plan, and capacity will be made available in the natural gas infrastructure being developed by GNPC for additional WCTP and the Deepwater Tano volumes as required.

Contractor's interest in the Natural Gas and Crude Oil under the Petroleum Agreements is recognized and the agreements outlined herein are made within the framework of the said Petroleum Agreements.

The Contractor and GNPC will co-operate and work together as necessary to ensure optimal oil development and gas utilization in a timely manner.

13.0 DECOMMISSIONING PLAN

Once economic life of the Jubilee field has been reached the field will be abandoned. The field will be abandoned in accordance with international oil field abandonment practices and procedures such as those used in the Gulf of Mexico. Following the abandonment of all the wells, the subsea and surface facilities a final environmental survey will be performed to ensure that all aspects of the abandonment have been carried out in accordance with the procedures. The abandonment program for each well will be presented to GNPC/Government for approval.

The wells will be individually abandoned using a drilling rig or well service vessel depending on the requirements. In each well cement and mechanical plugs will be installed to prevent hydrocarbon release into the environment. All subsea flow lines and manifolds will be flushed of hydrocarbon and abandoned in place. Where required, equipment that could possibly interfere with marine or fishing activities will be removed. The surface facilities (FPSO) will be removed along with associated mooring equipment as required.

The abandonment of each well will require approximately sixteen days to complete. Two of the sixteen days is allocated to flush any residual hydrocarbon back to the FPSO for disposal. Using a spread rate of USD 1.1 MM/day, the abandonment cost per well is estimated to be USD 15.4 MM. At this estimated cost, the total cost to abandon the wells and flush the flow lines is USD 312 MM including an estimated USD 50 MM mob/demob cost. Removal of the FPSO, associated mooring equipment and environmentally sensitive items is estimated to total USD 100 MM. The total estimated cost to abandon the Phase 1 development of the Jubilee Field totals USD 412 MM in 2008 costs.

The UOOA, and its Exhibit D, documents the requirements of all parties with respect to decommissioning planning and costs. In summary, the Contractor is obliged to commence paying into a trust fund (or in part to provide complementary security) when the "Trigger Date" occurs, being the earlier of:

- (a) the month in which fifty percent of the recoverable crude oil as set out in the most recently approved Development Plan has been extracted; or
- (b) the date that is five years prior to the end of petroleum production.

Once the Trigger Date has occurred, the obligation to pay into the fund remains in effect regardless of whether a subsequent production profile shows that an amount of crude oil that is less than fifty percent of the recoverable oil has been extracted.



ANTHONY T. DJOKOTO

ETD

RATVNA

DR JUSTINA ANYEAMPONG

JJA

Justina Anyeampong

WEEI KWAKU KEMAVOR

K

~~Kemavor~~

Judy Moeman

AM

Alyth

EXHIBIT "Q-1"
FORM OF GOVERNMENT APPROVAL

APPROVAL OF THE JUBILEE UNITIZATION

REPUBLIC OF GHANA

I, _____, the duly appointed Minister for Energy (the "Minister") of the Republic of Ghana (the "State"), pursuant to the powers conferred on me under the Petroleum (Exploration and Production) Law, 1984 (PNDCL 84) and the Petroleum Agreements, do hereby on this ___ day of _____, 2009, issue and declare, in the name of and on behalf of the State, the following:

RECITALS

WHEREAS, Tullow Ghana Limited, a company existing under the laws of Jersey, Channel Islands (hereinafter referred to as "Tullow"); Kosmos Energy Ghana HC, a company existing under the laws of the Cayman Islands (hereinafter referred to as "Kosmos"); Anadarko WCTP Company, a company existing under the laws of the Cayman Islands (hereinafter referred to as "Anadarko"); Sabre Oil & Gas Holdings Limited, a company existing under the laws of the British Virgin Islands (hereinafter referred to as "Sabre") and EO Group Limited, a company existing under the laws of the Cayman Islands (hereinafter referred to as "EO Group") or their predecessors-in-interest entered into a Petroleum Agreement with the Government of the Republic of Ghana (hereinafter referred to as the "Government" (represented therein by the Minister) and Ghana National Petroleum Corporation, a public corporation existing under the laws of the Republic of Ghana and established by Provisional National Defence Council Law 64 of 1983 (hereinafter referred to as "GNPC") dated July 22, 2004 covering certain areas located in the West Cape Three Points Block located offshore the Republic of Ghana (such agreement hereinafter referred to as the "WCTP Petroleum Agreement"; and all parties to the WCTP Petroleum Agreement other than the Government hereinafter referred to as the "WCTP Contract Group");

WHEREAS, Tullow, Kosmos, Anadarko and Sabre or their predecessors-in-interest entered into a Petroleum Agreement with the Government (represented therein by the Minister) and GNPC dated March 10, 2006 covering certain areas located in the Deepwater Tano Contract Area located offshore the Republic of Ghana (such agreement hereinafter referred to as the "DWT Petroleum Agreement"; and all parties to the DWT Petroleum Agreement other than the Government hereinafter referred to as the "DWT Contract Group", the DWT Petroleum Agreement and the WCTP Petroleum Agreement sometimes individually referred to hereinafter as a "Petroleum Agreement" and collectively as the "Petroleum Agreements"; and the DWT Contract Group and the WCTP Contract Group sometimes individually referred to hereinafter as a "Contract Group" and collectively as the "Contract Groups");

Q-1 1

P.S. 

WHEREAS, the Contract Groups have discovered a petroleum field consisting of multiple reservoirs described in this Approval (collectively hereinafter referred to as the "Jubilee Field") that extends across the boundary between the contract areas covered by the two Petroleum Agreements;

WHEREAS, the Minister has the authority under Section 4, Subsection 7 of the Petroleum (Exploration and Production) Law, 1984 (PNDCL 84) to require a petroleum field that extends beyond the boundaries of an area covered by a petroleum agreement to be developed as a single unit and to give appropriate directions to the Contract Groups regarding the implementation of such unitization;

WHEREAS, the Minister has the authority under Article 8.20 of the WCTP Petroleum Agreement and Article 8.20 of the DWT Petroleum Agreement to require the Contract Groups to exploit a petroleum field that extends beyond the boundaries of an area covered by each such Petroleum Agreement in, association with the party holding the adjacent area, pursuant to unitization and engineering principles and practices in accordance with accepted international Petroleum industry practices;

WHEREAS, the Minister has issued a letter dated November 25, 2008 determining that the Jubilee Field extends across the boundary between the contract areas covered by the two Petroleum Agreements and that such field shall be developed and exploited as a single unit pursuant to unitization and engineering principles and practices and in accordance with accepted international petroleum industry practices and instructing the Contract Groups to negotiate and enter into a unitization and unit operating agreement setting forth the terms of the unitization;

WHEREAS, as contemplated by said provisions of the Petroleum (Exploration and Production) Law, 1984 (PNDCL 84) and the Petroleum Agreements, GNPC, Tullow, Kosmos, Anadarko, Sabre and EO Group have entered into a Unitization and Unit Operating Agreement dated _____, 2009 setting forth the terms on which the Jubilee Field will be developed and operated pursuant to unitization as a single unit, and copies of such agreement have been furnished to the Minister on behalf of the State (such agreement hereinafter referred to as the "Unitization Agreement", such parties to the Unitization Agreement hereinafter referred to as the "Unit Parties" and the unit formed for the Jubilee Field is hereinafter referred to as the "Jubilee Unit");

WHEREAS, the Minister and the Unit Parties have signed the contract acknowledgment, of even date herewith, in connection with the unitization (the "Acknowledgment"); and

WHEREAS, it is in the public interest to grant this approval;

NOW, THEREFORE, the Minister acting on behalf of the State approves the following:

Handwritten signatures and initials in the bottom right corner of the page, including what appears to be 'AS' and several other illegible marks.

ARTICLE 1
APPROVAL OF UNITIZATION

- 1.1 Jubilee Unit. The formation of the Jubilee Unit and the unitization of the Jubilee Field pursuant to and in accordance with the terms of the Unitization Agreement is hereby approved.
- 1.2 Depth Interval and Areal Extent. The initial depth interval and the initial areal extent of the Jubilee Unit as described in Exhibit A to this instrument are hereby approved. The State further approves the future adjustment of the depth interval and, if applicable, the areal extent of the Jubilee Unit pursuant to the process for expansion set out in the applicable provisions of the Unitization Agreement, without further consent to the results of such expansion process being required, provided that the depth interval or areal extent may not be extended pursuant to this authorization beyond the boundaries of the Development and Production Area for the Jubilee Field as approved from time to time under the Petroleum Agreements.
- 1.3 Initial Participations. The initial participations for each Petroleum Agreement in the Jubilee Unit of WCTP Petroleum Agreement of fifty percent (50%) and DWT Petroleum Agreement fifty percent (50%) are hereby approved.
- 1.4 Adjustments to Participations. The State approves adjustments of the percentage participations of the Petroleum Agreements in the Jubilee Unit in accordance with the process for redetermination set out in the applicable provisions of the Unitization Agreement, without further consent to the results of such redetermination process being required.
- 1.5 Allocations of Petroleum and Petroleum Costs. Petroleum produced from the Jubilee Unit and Petroleum Costs incurred in conducting operations with respect to the Jubilee Unit shall be allocated to each Petroleum Agreement in accordance with the percentage participations of such Petroleum Agreement in the Jubilee Unit, except that greater or lesser quantities of Petroleum, and greater or lesser shares of Petroleum Costs, may be allocated to a Petroleum Agreement in connection with:
- (A) an expansion of the volume or areal extent of the Jubilee Unit as authorized under clause 1.2 or
 - (B) the redetermination of each Petroleum Agreement's percentage participation as authorized under clause 1.4

to allow a Petroleum Agreement which was allocated too little Petroleum in the past to receive a make-up adjustment of Petroleum, and to require a Petroleum Agreement which was allocated too small a share of Petroleum Costs in the past to make make-up payments, as described in the applicable provisions of the Unitization Agreement. Petroleum allocated in accordance with this clause shall be deemed to have been produced and saved, and Petroleum Costs allocated in accordance with this clause shall be deemed to have been incurred, under the Petroleum Agreement to which they are allocated, for purposes of the calculation of Additional Oil Entitlements under each



Petroleum Agreement, calculation of income tax, withholding tax and all other taxes with respect to each party within the Contract Group associated with each Petroleum Agreement, calculation of royalties under each Petroleum Agreement, determination of domestic marketing obligations with respect to each Petroleum Agreement, and for all other purposes, regardless of the actual location of the well from which such Petroleum is produced or the area in which such Petroleum Costs are incurred.

- 1.6 GNPC Assumption of Interest. Pursuant to Section 5, Subsection 1 of the Petroleum (Exploration and Production) Law, 1984 (PNDCL 84), GNPC is provided with a right to undertake exploration, development and production of petroleum over all blocks declared by the Minister as open for petroleum operations and over which no petroleum agreement exists. In cases where one Contract Group loses its entire interest in the Jubilee Unit as a consequence of the surrender, expiration or termination of its Petroleum Agreement while the Jubilee Unit remains in effect, GNPC shall become the Contract Group for that Petroleum Agreement, as if it had acquired the interests of the former Contract Group in that Petroleum Agreement and their related rights in the Unitization Agreement, and GNPC shall assume all obligations with respect to such interests in accordance with the transfer requirements of the Unitization Agreement subject to the special rights of GNPC, where applicable, without further consent of the Minister being required.
- 1.7 Tax Exemption for Certain Unitization Related Activities. The State confirms that the following transactions in connection with the unitization are not taxable events and are exempted from all taxes and other assessments, duties, fees, levies or other charges that any governmental authority imposes from time to time:
- (A) Any transfer of Petroleum or payments in lieu of Petroleum between any Unit Parties and/or the State to allow make-up and/or adjustment for past production and any payments between any Unit Parties and/or the State to allow adjustment for past costs following an expansion as described in clause 1.2 or a redetermination as described in clause 1.4, provided that Unit Parties receiving such Petroleum or payments in lieu of Petroleum shall be subject to tax on the resulting revenues, and Unit Parties paying an adjustment for past costs shall be entitled to depreciation, amortization, deductions or credits with respect to such past costs, as applicable, in accordance with the Petroleum Agreements;
- (B) Any payment made between the Unit Parties, including payments made to or between any Unit Operator (as such term is defined in the Unitization Agreement) and any Technical Operator (as such term is defined in the Unitization Agreement) to settle obligations between them for the funding and payment of Petroleum Costs with respect to the Jubilee Unit and any payments made by the Unit Parties to their Affiliates providing services performed at cost for operations under the Unitization Agreement, but excluding any interest payments made by any Unit Party as a consequence of late payment of any amounts owing to any other Unit Party with respect to such funding and payment, which interest shall be taxable in accordance with the Petroleum Agreements; and

AS 8
MME
JPA
KSW

- (C) Any receipt of the production share of Petroleum to which GNPC is entitled, and proceeds therefrom, in repayment of GNPC's share of Petroleum Costs attributable to GNPC's Paying Interest in the Jubilee Unit under each Petroleum Agreement, but excluding any interest or other amounts received in excess of advances made for the account of GNPC (which excess amounts, if any, shall be taxable in accordance with the Petroleum Agreements).

1.8 Amendment of Unitization Agreement. Any amendment to the terms of the Unitization Agreement regarding the matters approved in clauses 1.2, 1.3, 1.4, 1.5, and 1.6 above, presently found in Articles 4.2, 4.3, and 5 of the Unitization Agreement, shall require the written consent of the State acting through the Minister. The Unit Parties may amend other provisions of the Unitization Agreement without approval of the State, to the extent such amendments are not in conflict with the Petroleum Agreements and the laws applicable thereto.

ARTICLE 2 CONFIRMATION OF APPROVALS AND AUTHORITY

The Minister, on behalf of the State, hereby confirms that the Acknowledgment and this Approval are the only consents and approvals currently required under applicable law or by any governmental authority in the Republic of Ghana in order to fully implement the terms of the Acknowledgment and Article 1 hereof and represents that he is empowered and authorized on behalf of the State to execute the Acknowledgment and this Approval, to approve the unitization of the Jubilee Unit, and to take all such other actions as are required to fully implement the terms hereof and of the Acknowledgment without the need of any further approval or consent from any other authority of the State.

The Acknowledgment and this Approval shall be governed by and construed in accordance with the laws of the Republic of Ghana and the Minister, on behalf of the State, may enforce the unitization of the Jubilee Field in accordance with the terms of the Unitization Agreement under the terms of the Acknowledgment and this Approval.

ARTICLE 3 GOVERNMENTAL AGENCIES AND UNIT PARTIES

The Minister and the State, its departments and agencies, shall support this Approval and shall take no action which prevents or impedes the due exercise and performance of rights and obligations of the Unit Parties hereunder.

The Minister shall procure, within ninety (90) days from the date hereof, a letter ruling or letter rulings from the Commissioner of Internal Revenue Service of Ghana confirming recognition for purposes of the Petroleum Income Tax Law 1987 (PNDCL 188) and other tax laws of the allocations described in Articles 4.2(A), 4.2(B), 4.3(A) and 4.3(B) of the Unitization Agreement.

P.S. 

**ARTICLE 4
TERMINOLOGY**

Capitalized terms used in this Approval that are not specifically defined herein shall have the meaning given to those terms in the Petroleum Agreements.

P.S. [Handwritten initials]

[Handwritten mark]

This Approval shall come into force upon the date of execution hereof.

Issued in the city of _____ this _____ day of _____, 2009.

by [NAME], Minister for Energy
of the Republic of Ghana, for and on behalf
of the State

Handwritten notes:
JTA
Y.S. BEN
AM
K

EXHIBIT A - DEPTH INTERVAL AND AREAL EXTENT OF JUBILEE UNIT

**PART I
UNIT AREA COORDINATES**

The coordinates of the Unit Area for the development of the Jubilee field are presented in Table I below.

Point	Longitude			Latitude			WGS84 UTM Zone 30	
	Deg	Min	Sec	Deg	Min	Sec	Easting	Northing
1	-2	58	0.000	4	29	30.000	503698.00	496474.00
2	-2	58	0.000	4	33	0.000	503698.00	502922.00
3	-2	59	0.000	4	33	0.000	501849.00	502922.00
4	-2	59	0.000	4	35	0.000	501849.00	506607.00
5	-2	56	0.000	4	35	0.000	507395.00	506607.00
6	-2	56	0.000	4	34	30.000	507395.00	505686.00
7	-2	54	0.000	4	34	30.000	511092.00	505687.00
8	-2	54	0.000	4	35	0.000	511092.00	506608.00
9	-2	52	0.000	4	35	0.000	514790.00	506608.00
10	-2	52	0.000	4	34	45.000	514790.00	506148.00
11	-2	51	15.000	4	34	45.000	516176.00	506148.00
12	-2	51	15.000	4	34	30.000	516176.00	505687.00
13	-2	50	30.000	4	34	30.000	517563.00	505688.00
14	-2	50	30.000	4	34	0.000	517563.00	504767.00
15	-2	50	0.000	4	34	0.000	518487.00	504767.00
16	-2	50	0.000	4	33	30.000	518488.00	503846.00
17	-2	50	30.000	4	33	30.000	517563.00	503845.00
18	-2	50	30.000	4	33	0.000	517563.00	502924.00
19	-2	51	15.000	4	33	0.000	516177.00	502924.00
20	-2	51	15.000	4	32	30.000	516177.00	502003.00
21	-2	52	0.000	4	32	30.000	514790.00	502003.00
22	-2	52	0.000	4	32	0.000	514791.00	501081.00
23	-2	52	45.000	4	32	0.000	513404.00	501081.00
24	-2	52	45.000	4	31	30.000	513404.00	500160.00
25	-2	53	30.000	4	31	30.000	512017.00	500160.00
26	-2	53	30.000	4	31	0.000	512018.00	499239.00
27	-2	54	0.000	4	31	0.000	511093.00	499239.00
28	-2	54	0.000	4	30	30.000	511093.00	498317.00
29	-2	54	30.000	4	30	30.000	510169.00	498317.00
30	-2	54	30.000	4	30	0.000	510169.00	497396.00
31	-2	55	0.000	4	30	0.000	509244.00	497396.00
32	-2	55	0.000	4	29	30.000	508245.00	496475.00
1	-2	58	0.000	4	29	30.000	503698.00	496474.00

Table 1: Jubilee Field Unit Area Coordinates

UTM coordinates have been calculated using UTM projection zone 30 with WGS84 Datum and using the following:

- False Easting = 5000000.0 meters
- False Northing = 0.00 meters
- Central Meridian = -3.000000 degrees
- Scale Factor = 0.99960000

301
P.S. [Signature]
AM
[Signature]

**PART 2
UNIT AREA MAP**

The Unit Area is presented graphically in Figure 1.

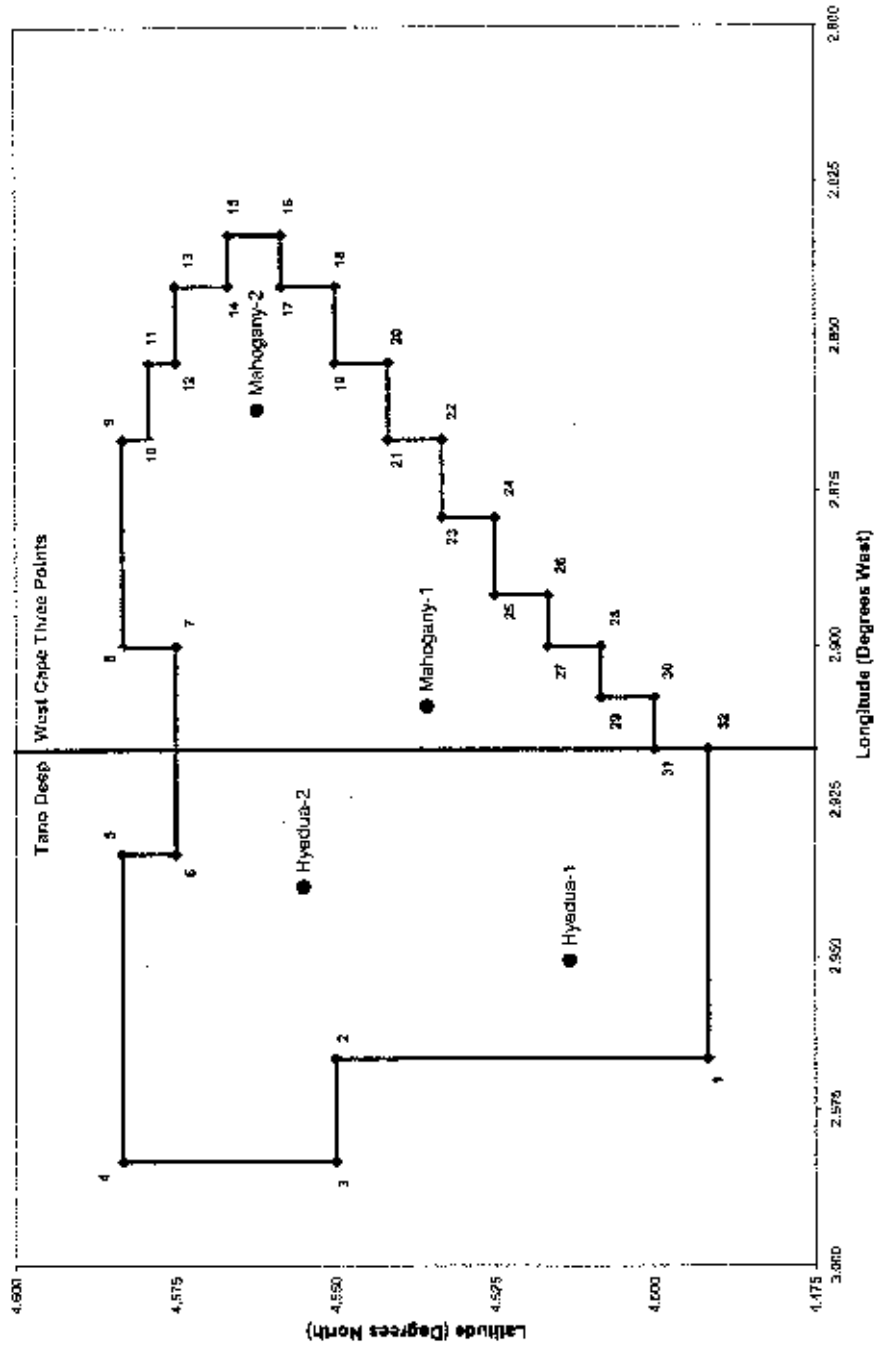


Figure 1: Jubilee Field Unit Area

Q-19

HOU03:1164545
Exhibit Q to the Utilization and Unit Operating Agreement

[Handwritten signatures and initials]

**PART 3
UNIT INTERVAL DEFINITION**

The Unit Interval means the sediments within the Unit Area which are encountered between the depths of the top and base of the Unit Interval.

The top and base of the Unit Interval, as identified in the wells drilled to date, is defined in Table 2 below and shown in Figure 2 of this Exhibit by the typical log response of the gamma ray, density and porosity logs for the Mahogany-1 Well and in Figure 3 the typical log response of the gamma ray and resistivity logs for the Mahogany-1 Well. In the absence of well data the seismic correlatives of the depths in Table 2 shall define the unit interval.

The top and base of the Unit Interval shall be identified where penetrated in each Well and correlated between each Well using all available data from the Common Database, including wireline log data, in accordance with Section 5 of Exhibit F.

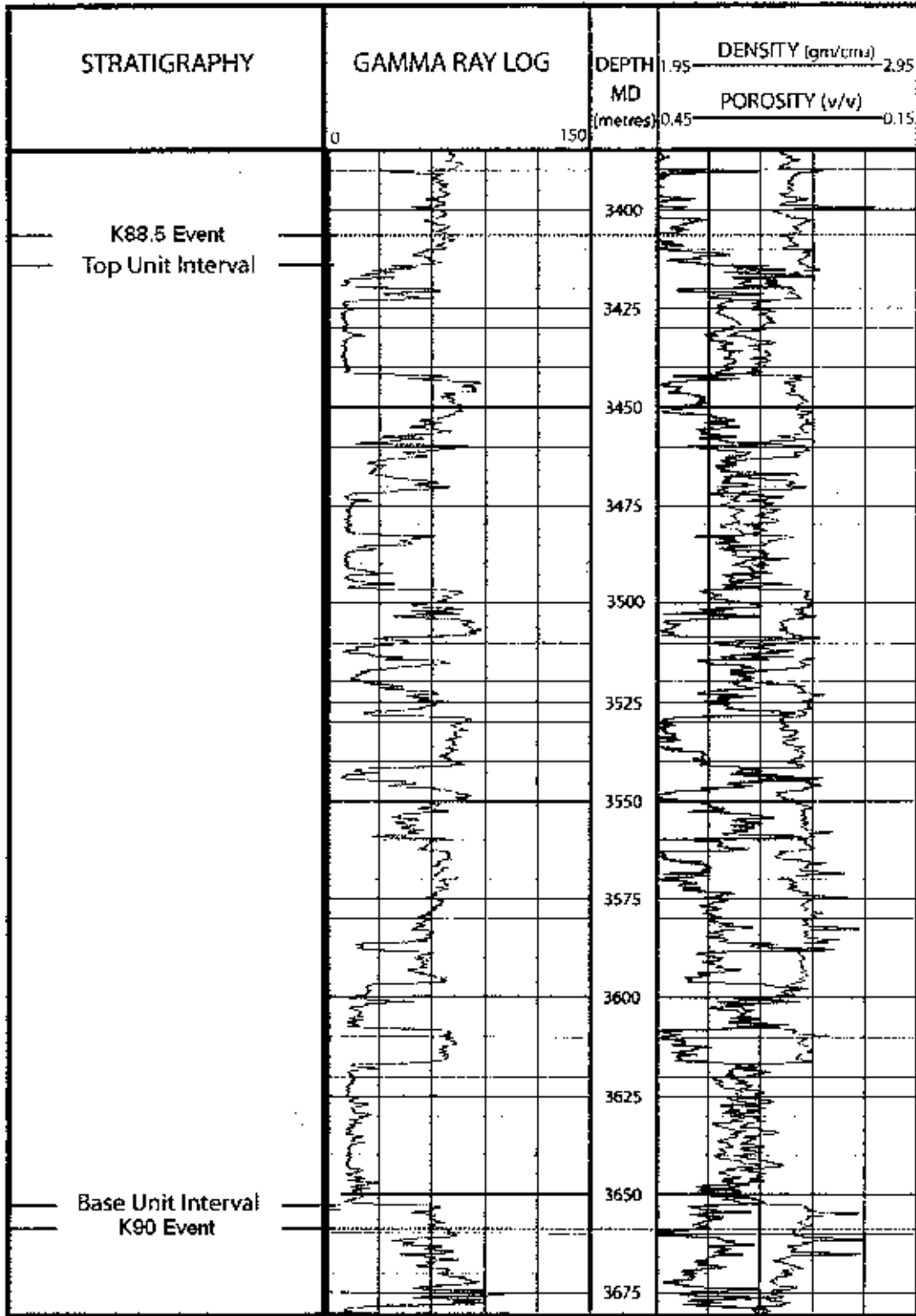
Table 2: Well depths of the top and base of the Unit Interval

STRATIGRAPHY	Hyedua-1 BP01		Mahogany-1		Mahogany-2		Hyedua-2	
	Drill Floor Elevation: 24 metres above msl		Drill Floor Elevation: 24 metres above msl		Drill Floor Elevation: 11 metres above msl		Deviated Well: MD-TVDSS = 42 metres	
	MD (metres)	TVDSS (metres)	MD (metres)	TVDSS (metres)	MD (metres)	TVDSS (metres)	MD (metres)	TVDSS (metres)
Top Unit Interval	3580.0	-3556.0	3412.0	-3388.0	3167.0	-3156.0	3365.0	-3323.0
Base Unit Interval	3811.0	-3787.0	3653.0	-3629.0	3372.0	-3361.0	3527.0	-3485.0

As additional information, the Parties expect the top of the Unit Interval to be coincident with the K88.5 Event stratigraphic marker which has an age date of 88.5 million years and which is equivalent to the top of the Late Turonian Age; and the base of the Unit Interval to be coincident with the K90 Event stratigraphic marker which has an age date of 90 million years and which is equivalent to the base of the Late Turonian Age, but the definition in Table 2 shall be controlling in the event the two are not coincident.

Figure 2: Typical log response of the gamma ray, density and neutron logs for the top and base of the Unit Interval in the Mahogany-1 Well

Well: Mahogany-1



For purposes of illustration

JFA
P.S. [unclear]
AM
VE

EXHIBIT "Q-2"

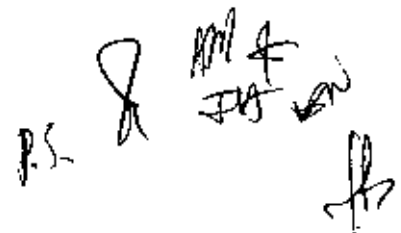
FORM OF CONTRACT ACKNOWLEDGMENT

THIS CONTRACT ACKNOWLEDGMENT is entered into on _____ among the Republic of Ghana (the "**State**"), represented by the Minister for Energy (the "**Minister**"), Ghana National Petroleum Corporation, a public corporation existing under the laws of the Republic of Ghana and established by Provisional National Defence Council Law 64 of 1983 (hereinafter referred to as "**GNPC**"); Tullow Ghana Limited, a company existing under the laws of Jersey, Channel Islands and registered in Ghana with branch registration number 1017 (hereinafter referred to as "**Tullow**"); Kosmos Energy Ghana HC, a company existing under the laws of the Cayman Islands and registered in Ghana with branch registration number EXT 927 (hereinafter referred to as "**Kosmos**"); Anadarko WCTP Company, a company existing under the laws of the Cayman Islands and registered in Ghana with branch registration number EXT 1090 (hereinafter referred to as "**Anadarko**"); Sabre Oil & Gas Holdings Limited, a company existing under the laws of the British Virgin Islands and registered in Ghana with branch registration number EXT 1226 (being the successor-in-interest to Sabre Oil & Gas Limited and being hereinafter referred to as "**Sabre**"); and EO Group Limited, a company existing under the laws of the Cayman Islands and registered in Ghana with branch registration number EXT 1238 (hereinafter referred to as "**EO Group**"). The Minister and the companies named above, and their respective successors and assignees (if any), may sometimes individually be referred to as "**Party**" and collectively as the "**Parties**".

RECITALS

WHEREAS, Tullow Ghana Limited, a company existing under the laws of Jersey, Channel Islands (hereinafter referred to as "**Tullow**"); Kosmos Energy Ghana HC, a company existing under the laws of the Cayman Islands (hereinafter referred to as "**Kosmos**"); Anadarko WCTP Company, a company existing under the laws of the Cayman Islands (hereinafter referred to as "**Anadarko**"); Sabre Oil & Gas Holdings Limited, a company existing under the laws of the British Virgin Islands (hereinafter referred to as "**Sabre**") and EO Group Limited, a company existing under the laws of the Cayman Islands (hereinafter referred to as "**EO Group**") or their predecessors-in-interest entered into a Petroleum Agreement with the Government of the Republic of Ghana (hereinafter referred to as the "**Government**" (represented therein by the Minister for Energy)) and Ghana National Petroleum Corporation, a public corporation existing under the laws of the Republic of Ghana and established by Provisional National Defence Council Law 64 of 1983 (hereinafter referred to as "**GNPC**") dated July 22, 2004 covering certain areas located in the West Cape Three Points Block offshore the Republic of Ghana (such agreement hereinafter referred to as the "**WCTP Petroleum Agreement**"; and all parties to the WCTP Petroleum Agreement other than the Government hereinafter referred to as the "**WCTP Contract Group**");

Q-2 1

P.S.  The block contains several handwritten signatures and initials in black ink. On the left, there is a signature that appears to be 'P.S.' followed by a large, stylized signature. To the right, there are several smaller initials and signatures, including one that looks like 'M.F.' and another that looks like 'J.B.' with a checkmark next to it. At the bottom right, there is a large, bold signature.

WHEREAS, Tullow, Kosmos, Anadarko and Sabre or their predecessors-in-interest entered into a Petroleum Agreement with the Government (represented therein by the Minister for Energy) and GNPC dated March 10, 2006 covering certain areas located in the Deepwater Tano Contract Area offshore the Republic of Ghana (such agreement hereinafter referred to as the "DWT Petroleum Agreement"; all parties to the DWT Petroleum Agreement other than the Government hereinafter referred to as the "DWT Contract Group", the DWT Petroleum Agreement and the WCTP Petroleum Agreement sometimes individually referred to hereinafter as a "Petroleum Agreement" and collectively as the "Petroleum Agreements"; and the DWT Contract Group and the WCTP Contract Group sometimes individually referred to hereinafter as a "Contract Group" and collectively as the "Contract Groups");

WHEREAS, the Contract Groups have discovered a petroleum field consisting of multiple reservoirs described in this Acknowledgment (collectively hereinafter referred to as the "Jubilee Field") that extends across the boundary between the contract areas covered by the two Petroleum Agreements;

WHEREAS, the Minister has the authority under Section 4, Subsection 7 of the Petroleum (Exploration and Production) Law, 1984 (PNDC/L 84) to require a petroleum field that extends beyond the boundaries of an area covered by a petroleum agreement to be developed as a single unit and to give appropriate directions to the Contract Groups regarding the implementation of such unitization;

WHEREAS, the Minister has issued a letter dated November 25, 2008 determining that the Jubilee Field extends across the boundary between the contract areas covered by the two Petroleum Agreements and that such field shall be developed and exploited as a single unit pursuant to unitization and engineering principles and practices and in accordance with accepted international petroleum industry practices and instructing the Contract Groups to negotiate and enter into a unitization and unit operating agreement setting forth the terms of the unitization;

WHEREAS, as contemplated by said provisions of the Petroleum (Exploration and Production) Law of 1984 and the Petroleum Agreements, GNPC, Tullow, Kosmos, Anadarko, Sabre and EO Group have entered into a Unitization and Unit Operating Agreement dated _____, 2009 setting forth the terms on which the Jubilee Field will be developed and operated pursuant to unitization as a single unit, and copies of such agreement have been furnished to the Minister on behalf of the State (such agreement hereinafter referred to as the "Unitization Agreement", such parties to the Unitization Agreement hereinafter referred to as the "Unit Parties" and the unit formed for the Jubilee Field is hereinafter referred to as the "Jubilee Unit");

WHEREAS, the unitization of the Jubilee Unit has been approved by the Government in a separate approval instrument (the "Government Approval"); and

NOW, THEREFORE, by this instrument (the "Acknowledgment"), the Parties acknowledge that the following provisions will apply to Petroleum Operations under the Petroleum Agreements relating to the Jubilee Unit.

AS
M
J
B

ARTICLE 1
PETROLEUM AGREEMENTS

The Parties acknowledge and agree that the following provisions shall apply to Petroleum Operations under the Petroleum Agreements relating to the Jubilee Unit:

- 1.1 Specified Rate. In the event that GNPC fails to pay any billings and cash calls for any Petroleum Costs for which GNPC is responsible in accordance with its cost-bearing interest in the Jubilee Unit, the amount not paid shall be allocated between Petroleum Agreements in accordance with the percentage participation of each such Petroleum Agreement in the Jubilee Unit, and the interest rate charged to GNPC on each such allocated share of the amount not paid shall be as provided in the applicable Petroleum Agreement.
- 1.2 Joint Management Committees. The Unit Operator may participate in meetings of the Joint Management Committee under each Petroleum Agreement to act as representative of the Unit Parties with respect to Petroleum Operations for the Jubilee Unit, regardless of whether the Unit Operator holds a position as a Contract Group representative on the Joint Management Committee. Any Technical Operator (as such term is defined in the Unitization Agreement) may participate in meetings of the Joint Management Committee under each Petroleum Agreement to the extent helpful for purposes of discussing operations handled by such Technical Operator, regardless of whether such Technical Operator holds a position as a Contract Group representative on the Joint Management Committee.
- 1.3 Re-Exports. Subject to GNPC's rights under Article 19 of the WCTP Petroleum Agreement, the Affiliates of the Unit Operator, any Technical Operator or any other Unit Party providing work or services as "Subcontractors" shall be entitled to export from Ghana items that were previously imported into Ghana for purposes of Petroleum Operations relating to the Jubilee Unit without paying any duty on such items, save for minor administrative charges, as set out in Article 12.7 of the WCTP Petroleum Agreement.
- 1.4 Taxation of Foreign National Employees. The Ghana 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 the Unit Parties, their Affiliates and Subcontractors engaged in Petroleum Operations related to the Jubilee Unit; provided, however, that Foreign National Employees of the Unit Parties, their Affiliates and Subcontractors engaged in Petroleum Operations related to the Jubilee Unit shall be exempt from the income tax and withholding tax liabilities if they are resident in Ghana for thirty (30) days or less during any calendar year, as set out in Article 12.8 of the WCTP Petroleum Agreement.
- 1.5 Decommissioning and Abandonment. In fulfillment of the requirement in Article 12.10 of each Petroleum Agreement that detailed guidelines be issued regarding the implementation of provision for estimated costs of decommissioning and abandonment,



the Minister hereby confirms, on behalf of the State, without prejudice to the ability of the Minister to issue further detailed guidelines consistent herewith, that:

- (A) provision of security for decommissioning and abandonment shall commence on the first day of the Calendar Month following the earlier of: (a) the Calendar Month in which fifty percent (50%) of the recoverable Crude Oil as set out in the most recently approved Unit Development Plan has been extracted from the Unit Interval; or (b) the date that is five (5) years prior to the "End Date" (as defined in the Unitization Agreement);
- (B) security shall be furnished annually, commencing with the year in which the trigger for security described under clause 1.5(A) occurs, on a straight line basis in equal annual amounts over the period from the trigger year through the earlier of (i) the estimated year of decommissioning and abandonment, taking into account any adjustments to the estimated costs of decommissioning and abandonment and any adjustments to the date on which Production of Petroleum by the Unit Parties from the Jubilee Unit is expected to permanently cease during that period, or (ii) the date on which the Unitization Agreement is expected to terminate as a result of the termination of both Petroleum Agreements, or (iii) the date upon which the Unit Parties expect to relinquish the Jubilee Unit as a result of their determination that production of Petroleum from the Jubilee Unit is no longer economic;
- (C) at least sixty percent (60%) of the security provided shall take the form of cash or such other form of investment as may constitute Authorized Investments (as such term is defined in the Unitization Agreement) and no more than forty percent (40%) may take the form of an irrevocable standby letter of credit issued by a bank; or an on demand bond issued by a bank; or any other financial security agreed in writing by all Unit Parties from time to time; provided, however, that the bank holding the cash or issuing the standby letter of credit or bond (as applicable) has a credit rating for long-term unsecured debt of at least "AA" by Standard & Poor's or Aa2 by Moody's, or in the event neither such entity is issuing credit ratings for long-term unsecured debt, the equivalent rating by a comparable international credit agency, indicating it has a sufficient worth to pay its obligations in all reasonably foreseeable circumstances; and
- (D) each Unit Party shall remain liable for due payment of its liability for decommissioning costs. In the event that the security provided is insufficient to meet in full the costs of decommissioning, subject to the obligations of the Government under the Unitization Agreement, each Unit Party shall remain liable to pay its share of any outstanding costs required to complete the decommissioning and abandonment of the Jubilee Unit.

The trustee for the security provided shall furnish the Minister with copies of regular statements furnished to the Unit Parties (and in no event less frequently than monthly) showing the balance in the Decommissioning Trust Fund and Complementary Security held by the trustee, the amounts for the account of each Party, and all receipts and



disbursements since the prior statement. Accounting accruals associated with abandonment obligations shall be allowed to be included as a deduction against chargeable income and in Additional Oil Entitlement calculations under each Petroleum Agreement in accordance with the terms of each Petroleum Agreement. To the extent that such accounting accrual deductions by any Unit Party exceed ultimate expenditure by that Unit Party for decommissioning and abandonment, such excess amounts shall become chargeable income to that Unit Party.

- 1.6 Valuation of Natural Gas. As provided in Article 14.16 and Article 14.19 of each Petroleum Agreement, the actual negotiated price for Natural Gas to be sold pursuant to the Petroleum Agreements shall be used for purposes of calculation of Additional Oil Entitlements under each Petroleum Agreement, calculation of income tax, profits tax, withholding tax and all other taxes with respect to each party within the Contract Group, calculation of royalties under each Petroleum Agreement, and for all other purposes of the Petroleum Agreements. The provisions of Article 14.20 of the WCTP Petroleum Agreement shall not apply to Natural Gas produced from the Jubilee Unit.
- 1.7 Audits. Audits of the books and records of the Unit Operator with respect to Petroleum Operations regarding the Jubilee Unit shall be governed by Article 18.6 of the DWT Petroleum Agreement. Article 18.6 of the WCTP Petroleum Agreement shall not apply. For the avoidance of doubt, an audit of the Jubilee Unit books and records conducted by GNPC with respect to one Petroleum Agreement will be considered to be an audit of the Jubilee Unit conducted by GNPC with respect to both Petroleum Agreements. Notwithstanding the foregoing, nothing shall restrict GNPC's right to audit the books and records with respect to Petroleum Operations not related to the Jubilee Unit in accordance with the Petroleum Agreements.
- 1.8 Employment and Secondment. Without prejudice to the obligation of each Contract Group to pay training allowances under Article 21.1 of the DWT Petroleum Agreement and the WCTP Petroleum Agreement, employment and secondment of Ghanaian and GNPC personnel in Petroleum Operations related to the Jubilee Unit shall be deemed to apply in part toward the fulfillment of the DWT Contract Groups' obligations under Articles 21.3 and 21.4 of the DWT Petroleum Agreement and in part toward the fulfillment of the WCTP Contract Groups' obligations under Articles 21.2 and 21.3 of the WCTP Petroleum Agreement.
- 1.9 Use of Facilities After Termination of One Petroleum Agreement. In the event of the expiration, termination or surrender of a Petroleum Agreement, the Contract Group for the remaining Petroleum Agreement shall have the right, on the same terms and at no additional charge, to continue to make use of all facilities acquired or constructed for purposes of Petroleum Operations relating to the Jubilee Unit, even if located on the Contract Area for the expired, terminated or surrendered Petroleum Agreement, for so long as the remaining Petroleum Agreement remains in effect. For the avoidance of doubt, in the event of such expiration, termination or surrender, the use of producing wells, and sharing of Petroleum production from such wells, shall be in accordance with clause 1.6 of the Government Approval.

P.S. 

1.10 Dispute Resolution. Disputes between Tullow, Kosmos, Anadarko, Sabre and/or EO Group, or their successors and assigns (the "Private Unit Parties") on one hand and the Government and GNPC or either of them on the other hand (the Government and GNPC on one hand and the Private Unit Parties on the other hand each referred to as a "Party" and collectively as the "Parties") arising out of, related to or connected with any terms and conditions of the Government Approval or this Acknowledgment or the terms and conditions of either Petroleum Agreement to the extent relating to the Jubilee Unit, save as otherwise described below, (each such dispute a "Dispute") shall be resolved in accordance with the dispute resolution procedures set forth in Article 24 of the DWT Petroleum Agreement, provided that the "Contractor" for such Dispute shall consist of all the Private Unit Parties.

Disputes between one or more of the Private Unit Parties and GNPC in relation to or in connection with or arising out of the terms and conditions of the Unitization Agreement or the operations carried out under the Unitization Agreement shall be resolved pursuant to the dispute resolution provisions of the Unitization Agreement.

Disputes relating solely to any terms and conditions of one Petroleum Agreement shall continue to be resolved pursuant to Article 24 of that Petroleum Agreement.

If the subject matter of a Dispute and an arbitration proceeding under a Petroleum Agreement and/or the Government Approval and/or this Acknowledgment and/or the Unitization Agreement are related by common questions of law or fact, then such proceedings may be consolidated into a single arbitral proceeding, as determined by the tribunal constituted under the Unitization Agreement (or, if none, the tribunal constituted under the Government Approval).

1.11 Billings, Cash Calls and Currency Translations. Billings and cash calls to GNPC for any Petroleum Costs for which GNPC is responsible in accordance with its cost-bearing interest in the Jubilee Unit, and procedures for currency translation for Petroleum Costs with respect to the Jubilee Unit, shall be carried out in accordance with the Unitization Agreement in lieu of the separate cash call statements, and currency translation procedures, required by Annex 2 of each Petroleum Agreement.

1.12 Overhead Charges. Overhead charges at the percentage rates set forth below shall apply as between the State and GNPC and the Contract Groups for purposes of the Petroleum Agreements in lieu of the overhead charges set forth in Section 2.6.2 of Annex 2 of each Petroleum Agreement (all amounts in US dollars).

For Development Expenditures::

\$0 - \$20,000,000	1.25%
\$20,000,001 to \$25,000,000	1.0%
\$25,000,001 to \$40,000,000	0.5%
Over \$40,000,000	0.25%



The amount of overhead charged under the Unitization Agreement for development expenditures in any one (1) Calendar Year calculated on the graduated scale shall be subject to a total maximum cap of three million US dollars (\$3,000,000) for the two Petroleum Agreements.

Any development overhead with respect to Petroleum Operations under the Unitization Agreement in excess of a combined three million US dollars (\$3,000,000) for the two Petroleum Agreements in any one (1) Calendar Year shall be disallowed as Petroleum Costs under either Petroleum Agreement.

For production expenditures:

\$0 - \$20,000,000	1.25%
\$20,000,001 to \$25,000,000	1.0%
\$25,000,001 to \$40,000,000	0.5%
Over \$40,000,000	0.25%

The amount of overhead charged under the Unitization Agreement for production expenditures in any one (1) Calendar Year calculated on the graduated scale shall be subject to a total maximum cap of five hundred thousand US dollars (\$500,000) for the two Petroleum Agreements.

Any production overhead with respect to Petroleum Operations under the Unitization Agreement in excess of a combined five hundred thousand US dollars (\$500,000) for the two Petroleum Agreements in any one (1) Calendar Year shall be disallowed as Petroleum Costs under either Petroleum Agreement.

For Decommissioning Costs: 0.25%

The amount of overhead charged under the Unitization Agreement for Decommissioning Costs in any one (1) Calendar Year shall be subject to a total maximum cap of five hundred thousand US dollars (\$500,000) for the two Petroleum Agreements.

Any decommissioning overhead charged with respect to Petroleum Operations under the Unitization Agreement in excess of a combined five hundred thousand US dollars (\$500,000) for the two Petroleum Agreements in any one (1) Calendar Year shall be disallowed as Petroleum Costs under either Petroleum Agreement.

Provided further, for the avoidance of doubt, (i) lease day rate payments for a floating production, storage and offloading vessel (FPSO) shall be considered development costs for purposes of each Petroleum Agreement and (ii) decommissioning costs with respect to Unit facilities shall be considered production costs for purposes of each Petroleum Agreement. The term "Decommissioning Costs" when used in this clause 1.12 shall have the meaning given to such term in the Unitization Agreement.

RS
SMM
JFA
↓

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

	<p>Minister for Energy of the Republic of Ghana, for and on behalf of the State</p> <p>By: _____ Name: _____ Date: _____</p>
	<p>GHANA NATIONAL PETROLEUM CORPORATION</p> <p>By: _____ Name: _____ Title: _____ Date: _____</p>
	<p>TULLOW GHANA LIMITED</p> <p>By: _____ Name: _____ Title: _____ Date: _____</p>
	<p>KOSMOS ENERGY GHANA HC</p> <p>By: _____ Name: _____ Title: _____ Date: _____</p>
	<p>ANADARKO WCTP COMPANY</p> <p>By: _____ Name: _____ Title: _____ Date: _____</p>

P.S.
JIA
Q
W

	<p>SABRE OIL & GAS HOLDINGS LIMITED</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>
	<p>EO GROUP LIMITED</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>



ATTACHED TO AND MADE PART OF THE UNITIZATION AND UNIT OPERATING AGREEMENT BY AND BETWEEN GHANA NATIONAL PETROLEUM CORPORATION, TULLOW GHANA LIMITED, KOSMOS ENERGY GHANA HC, ANADARKO WCTP COMPANY, SABRE OIL & GAS HOLDINGS LIMITED, AND EO GROUP LIMITED
(THE "AGREEMENT")

EXHIBIT R: PART 1

FORM OF SECONDMENT AGREEMENT

MASTER SECONDMENT AGREEMENT

_____ (1)

_____ (2)

JJA F
P.S. AM B

MASTER SECONDMENT AGREEMENT

TABLE OF CONTENTS

ARTICLE 1: DEFINITIONS AND REFERENCES.....	1
1.1 Definitions.....	1
1.2 References.....	2
ARTICLE 2: TERMS OF SECONDMENT.....	2
2.1 Secondment.....	2
2.2 Conduct.....	3
2.3 Status of Employer, Employer Affiliate and Secondce.....	3
2.4 Permits.....	4
2.5 Operator's Assistance.....	4
2.6 Employer's Assistance.....	4
2.7 Specific Secondment Location provisions.....	5
2.8 Change of Location or Services.....	5
2.9 Temporary Return.....	5
2.10 Vacation.....	5
2.11 Restriction on Solicitation.....	5
2.12 Requests for Information.....	5
ARTICLE 3: COSTS.....	6
3.1 Responsibilities of Employer.....	6
3.2 Monthly Charge.....	6
3.3 Relocation Costs.....	6
3.4 Procedure.....	7
3.5 Past Due Amounts.....	7
ARTICLE 4: LIABILITY AND INDEMNITY.....	7
4.1 Liability and Indemnity.....	7
4.2 Notice of Claim and Opportunity to Defend.....	7
4.3 Limitation of Liability.....	7
4.4 Scope and Cost of Indemnities.....	7
4.5 Employer's Liability Insurance.....	8
ARTICLE 5: CONFIDENTIALITY AND COMPETITION.....	8
5.1 Confidential Information.....	8
5.2 Breach of Confidentiality.....	8
5.3 Right of Competition.....	8
ARTICLE 6: DURATION AND TERMINATION.....	8
6.1 Duration of Master Secondment Agreement and the Secondment.....	8
6.2 Operator's Right to Terminate the Secondment.....	9

JA
AM
AM

6.3	Employer's Right to Terminate the Secondment	10
6.4	Successor's Replacement.....	10
ARTICLE 7: MISCELLANEOUS		11
7.1	Assignment.....	11
7.2	Captions	11
7.3	Confidentiality	11
7.4	Counterparts.....	11
7.5	Expenses.....	11
7.6	Governing Law.....	11
7.7	Dispute Resolution.....	11
7.8	No Third Person Beneficiaries.....	11
7.9	Notice.....	11
7.10	Severability	11
7.11	Waivers.....	12
7.12	Conflict.....	12
7.13	Entire Agreement	12

Handwritten initials and signatures:
JJA
P.S.
AM
1/3

THIS MASTER SECONDMENT AGREEMENT (hereinafter referred to as the "Master Secondment Agreement") is made on _____ 2009,

BETWEEN:

- (1) _____ ("Operator"), and
(2) _____ ("Employer")

Operator and Employer are sometimes referred to collectively as the "Parties" and individually as a "Party"

WHEREAS:

- (A) Operator and Employer each hold an undivided share of the rights of "Contractor" under:
- (1) The Petroleum Agreement for the Deepwater Tano Contract Area dated March 10, 2006; and
 - (2) The Petroleum Agreement for the West Cape Three Points Contract Area dated July 22, 2004.
- (B) Pursuant to the Unitization and Unit Operating Agreement covering the Jubilee Field Unit located offshore in the Republic of Ghana among Operator, Employer and others, dated _____ (the "UUOA") Employer may from time to time second (or cause its Affiliates to second) qualified personnel to fill certain positions in Operator's organization for the conduct of Unit Operations, and the Operator shall accept such secondments for the provision of services relating to Unit Operations, all in accordance with the terms of this Master Secondment Agreement.

In consideration of the premises set out above, and the provisions set out below, the Parties agree as follows:

Article 1: DEFINITIONS AND REFERENCES

1.1 Definitions.

Capitalized terms used in this Master Secondment Agreement and not otherwise defined herein shall have the meaning given to such terms in the UUOA.

- (A) "Employer Affiliate" means an Affiliate of the Employer which is the direct employer of a Secondee seconded under the terms of this Agreement.
- (B) "Home Location" means, with respect to each Secondee, the location specified in the Secondee's Specifications which will generally be (a) the Secondee's last place of primary residence; (b) the location where the Secondee was hired or was working immediately prior to transfer to the Secondment Location; or (c) the Secondee's country of citizenship where family or other ties can be demonstrated.
- (C) "Monthly Charge" shall have the meaning set out in Article 3.2.
- (D) "Monthly Rate" means, with respect to each Secondee, the rate agreed in the Secondee's Specifications to apply for each month of Secondee's Secondment which will be based on the actual documented costs and expenses incurred by Employer (directly or through an Employer Affiliate) with respect to such Secondee's employment with Employer (or with an Employer Affiliate) and shall reflect, *inter alia*, the cost of salary and other compensation, employer's liability insurance, employment related taxes and fees.
- (E) "Secondee" means any employee of Employer (or an Employer Affiliate) seconded to Operator in accordance with the terms of this Master Secondment Agreement.
- (F) "Secondee Agreement" means an agreement to be entered into between Operator, Employer, an Employer Affiliate (if such Employer Affiliate is the employer of the Secondee) and a Secondee in a format substantially similar to the form provided in Attachment B to this Master Secondment Agreement.
- (G) "Secondee's Specifications" means, with respect to each Secondee, a document to be executed between the Parties in a format substantially similar to the form provided in Attachment A to this Master Secondment Agreement, which sets out the main specifications of such Secondee's Secondment and the Monthly Rate to be charged for such Secondee's Services.

JPA
P.S. AM
K
X

- (I) **"Secondment"** means Employer's (or an Employer Affiliate's) secondment of a Secondee to Operator's organisation to perform the Services at the Secondment Location.
- (J) **"Secondment Location"** means, with respect to each Secondee, the location specified in the Secondee's Specifications and Secondee Agreement, where such Secondee shall perform the Services.
- (K) **"Secondment Location Addendum"** means a document, which the Parties may execute after the date hereof pursuant to the provisions of Article 2.7, setting out the support arrangements which shall apply to a specific Secondment Location.
- (L) **"Secondment Period"** means, with respect to each Secondee, the period specified in the Secondee's Specifications and Secondee Agreement, during which such Secondee shall perform the Services provided that, unless otherwise agreed between the Parties in writing, the following shall apply:
 - a) where Secondee's Secondment Location is within the country of such Secondee's Home Location, the Secondment Period shall be no less than twelve (12) Months; and
 - b) where Secondee's Secondment Location is outside of the country of such Secondee's Home Location, the Secondment Period shall be no less than twenty four (24) Months.
- (M) **"Services"** means, with respect to each Secondee, the duties and authorities described in the Secondee's Specifications, to be performed by such Secondee to support Operator in the performance of Unit Operations under the UUOA.
- (N) **"Third Party"** shall have the meaning set out in Article 7.8.

1.2 References.

Unless expressly provided to the contrary, in this Master Secondment Agreement:

- (A) Reference to any gender includes a reference to both genders;
- (B) Reference to the singular includes the plural, and vice versa;
- (C) Reference to any Article means an Article of this Master Secondment Agreement;
- (D) Reference to any Clause means a Clause of the UUOA;
- (E) Reference to any Attachment means an Attachment to this Master Secondment Agreement, all of which are incorporated into and made a part of this Master Secondment Agreement;
- (F) "hereunder", "hereof", "herein", and words of similar import are references to this Master Secondment Agreement as a whole and not any particular Article or other provision of this Master Secondment Agreement;
- (G) "include" and "including" shall mean include or including without limiting the generality of the description preceding such term and are used in an illustrative sense and not a limiting sense; and
- (H) Reference to a Secondee includes dependents of such Secondee where applicable.

Article 2: TERMS OF SECONDMENT

2.1 Secondment.

- (A) At any time during the term of this Master Secondment Agreement, Employer may provide (or cause its Employer Affiliate to provide) a Secondee to Operator pursuant to and in accordance with the terms of Clause 7.3 of the UUOA and this Master Secondment Agreement.
- (B) Prior to commencement of any Secondment, Operator and Employer shall agree and execute Secondee's Specifications setting out the main terms of the Secondment with respect to such Secondee. No change to the terms of a Secondee's Specifications shall become effective unless and until such change is mutually agreed by Operator and Employer.
- (C) Employer represents that each Secondee is an employee of Employer or an Employer Affiliate and has the qualifications and experience necessary to perform the Services as summarised in the applicable Secondee Specifications.

JGA
RS
AM
KS
15

- (D) Employer shall assign (or cause its Employer Affiliate to assign) each Secondee to perform the Services at the relevant Secondment Location for the Secondment Period, and to report to Operator in accordance with the terms of this Master Secondment Agreement and the Secondee Agreement.
- (E) Operator shall designate each Secondee to fill the position agreed in such Secondee's Specifications within Operator's organization, integrate each Secondee into Operator's organization for the purposes of this Master Secondment Agreement, and authorize each Secondee to perform the Services at the Secondment Location for the Secondment Period in accordance with this Master Secondment Agreement.
- (F) Subject to Article 2.1(B) above, Operator shall have the right to specify the scope and nature of each Secondee's Services and the results to be achieved, and to direct each Secondee in the performance of such Services.
- (G) Prior to commencement of each Secondment of a Secondee, Operator, Employer, an Employer Affiliate (if such Employer Affiliate is the employer of the Secondee) and the Secondee shall enter into a Secondee Agreement.

2.2 Conduct.

- (A) Each Secondee shall be integrated into Operator's organization for the Secondment Period and consequently shall be subject to:
 - 1) The supervision and control of the Operator;
 - 2) All applicable rules, regulations, policies and other practices established by Operator for its employees;
 - 3) Laws/Regulations applicable to the Unit Operations; and
 - 4) Instructions and directions of Operator with respect to the performance of Services and actions taken on Operator's behalf and pursuant to Article 2.2(A)(1).
- (B) Employer shall use (or shall cause its Employer Affiliate to use) all reasonable efforts to ensure that:
 - 1) Each Secondee complies with the provisions of Article 2.2(A); and
 - 2) Each Secondee shall perform the Services contemplated by this Master Secondment Agreement, and if applicable the Secondee Agreement, with due diligence and in a good, competent, professional and safe manner in accordance with applicable Laws/Regulations, standards and practices of the international petroleum industry, and the supervision and control of the Operator.

2.3 Status of Employer, Employer Affiliate and Secondee.

- (A) Employer and each Employer Affiliate shall be an independent contractor engaged by Operator to make each Secondee available for the purposes of this Master Secondment Agreement, and neither Employer nor any Employer Affiliate (as the case may be) shall be, or shall be deemed to be, an agent, servant or employee of Operator.
- (B) Notwithstanding that, for the duration of the Secondment Period, Operator shall have the right to exercise supervision and control over each Secondee, each Secondee shall continue to be an employee of Employer or an Employer Affiliate (as the case may be) for all purposes, including performance management, remuneration, employee benefits, promotion and career planning, and shall not be a servant or employee of Operator. A Secondee shall not be nor be deemed to be an agent, servant or employee of Operator.
- (C) For the avoidance of doubt, Operator shall have no authority to terminate employment or to administer disciplinary action with respect to a Secondee, except to terminate the Secondment pursuant to Article 6 below. Only the Employer (directly or through its Employer Affiliate) shall have authority to discipline a Secondee.
- (D) For the avoidance of doubt, Operator shall have no authority to make any direct payments in any form (including remuneration, benefits or promotions) to a Secondee with respect to such Secondee's performance of the Services except as may be otherwise agreed by the Parties.

JFA
P.S.
AM
AS

2.4 Permits.

Employer shall be responsible for obtaining any work permits, visas and any other administrative authorizations required to allow each Seconded, and if applicable his or her dependents, to work and reside in the Secondment Location for the Secondment Period. Operator shall provide any assistance reasonably requested by Employer in connection with obtaining such permits, visas and authorizations.

2.5 Operator's Assistance.

- (A) Operator shall provide the following items and services to each Seconded to the same extent that Operator provides such items and services to Operator's managerial and technical staff and their dependents in the Secondment Location:
- 1) Facilities and equipment with which to perform the Services;
 - 2) Security, safety and first aid services and facilities, if needed; and
 - 3) Upon Secondment of each Seconded pursuant to this Master Secondment Agreement, a copy of all applicable rules, regulations, policies and other practices referred to in Article 2.2(A)(2) established by Operator for its employees that will be applicable to such Seconded and any revisions thereto.
- (B) In addition, subject to Article 2.7 (if applicable), with respect to each Seconded's Secondment Location, Operator shall provide to such Seconded, or reimburse the Employer for the following items and services provided by the Employer (either directly or through an Employer Affiliate) to such Seconded, and his or her dependents in the Secondment Location:
- 1) Transportation and accommodation to, from and within the Secondment Location to the same extent that Operator provides such items and services to Operator's staff taking into account the position of the Seconded;
 - 2) Meals, other items and services, and living expenses in the Secondment Location to the same extent Employer provides, or would provide (either directly or through an Employer Affiliate), such items and services to Employer's (or its Employer Affiliate's) staff in the Secondment Location taking into account the position of the Seconded;
 - 3) Taxes, social security, duties and any similar charges levied on and paid by or on behalf of the Seconded in the Secondment Location, including income, sales, excise, value added, property and other taxes and import/export duties to the same extent Employer provides, or would provide (either directly or through an Employer Affiliate), such items and services to Employer's (or its Employer Affiliate's) staff in the Secondment Location taking into account the position of the Seconded including the effect of any benefit flowing to the Employer, an Employer Affiliate (where applicable) or Seconded from foreign tax credits received by the Employer, an Employer Affiliate (where applicable) or Seconded in the Seconded's Home Location for taxes and duties levied in the Secondment Location; and
 - 4) Emergency evacuation in case of an emergency or life-threatening medical condition (in the absence of adequate medical facilities to handle such a case).

For the avoidance of doubt, all costs and expenses associated with items and services provided by Operator pursuant to this Article 2.5 shall be chargeable to the Unit Account and treated in accordance with the terms of the UUOA.

2.6 Employer's Assistance.

Subject to Article 2.7 (if applicable) and to the extent not provided by Operator under Article 2.5 above, Employer shall provide (either directly or through an Employer Affiliate) to the Seconded and its dependents in the Secondment Location the following items and services:

- (A) Transportation and accommodation to, from and within the Secondment Location;
- (B) Meals, other items and services, and living expenses in the Secondment Location;
- (C) Taxes, social security, duties and any similar charges levied on and paid for by or on behalf of the Seconded in the Secondment Location, including without limitation income, sales, excise, value added, property and other taxes and import/export duties; and

JFA
P. L. STEWART
AMM
[Signature]

- (D) Emergency evacuation in case of an emergency or life-threatening medical condition (in the absence of adequate medical facilities to handle such a case).

For the avoidance of doubt all costs and expenses associated with items and services provided by Employer (either directly or through an Employer Affiliate) pursuant to this Article 2.6 shall be chargeable to the Operator and subsequently charged to the Unit Account and treated in accordance with the terms of the UUOA.

2.7 Specific Secondment Location provisions.

At any time after the date hereof, but prior to Employer's agreement to provide (or cause to provide through its Employer Affiliate) Secondcees to a particular Secondment Location, should a Party wish to enter into specific support arrangements with respect to such Secondment Location the Parties may agree and enter into one or more Secondment Location Addenda, the terms of which may be amended from time to time by mutual agreement of the Parties. For the avoidance of doubt, unless the Parties enter into a separate Secondment Location Addendum, the terms of Secondment to a Secondment Location shall be governed by the terms of this Agreement.

2.8 Change of Location or Services.

- (A) If Operator, in the exercise of its reasonable judgment, determines with respect to any Secondce that:
- 1) A change of the Secondment Location is necessary, Operator shall promptly so notify Employer in writing specifying the effective date of such proposed change, and shall request Employer to approve the transfer of the Secondce to the new Secondment Location; or
 - 2) A material change of Services is necessary due to the evolution of Unit Operations, Operator shall promptly so notify Employer in writing specifying the details of such proposed change and the proposed effective date of such change, and shall request Employer to approve the change of Services.
- (B) If Operator makes a determination as described in Article 2.8(A), Employer shall not unreasonably withhold its approval.
- (C) For the avoidance of doubt, where the Employer does not agree to the change of Secondment Location as provided for in this Master Secondment Agreement, such Employer may terminate Secondce's Secondment in accordance with the terms of Article 6.3(C) below and shall not be obligated to provide an alternative Secondce to the Operator.

2.9 Temporary Return.

Employer shall be entitled to require the return of a Secondce from time to time for periods of short duration for administrative or training purposes, subject to Operator's consent as to the timing of such return, which consent shall not be unreasonably withheld. Any travel costs associated with such temporary return shall be reflected in Employer's charges to Operator as provided for in Article 3.2.

2.10 Vacation.

Each Secondce is entitled to a vacation according to the personnel policies of Employer. Vacation may only be taken after consultation with Operator and is subject to Operator's reasonable operational requirements. Operator shall notify Employer annually of all vacation that a Secondce takes in accordance with the Employer's personnel policies. For the avoidance of doubt, all travel costs associated with such vacation and which are in accordance with personnel policies of Employer shall be reflected in Employer's charges to Operator as provided for in Article 3.2.

2.11 Restriction on Solicitation.

Operator may neither solicit nor hire a Secondce for a period of twenty-four (24) months after the term of Secondce's Secondment under this Master Secondment Agreement ended or terminated without obtaining the prior written consent of Employer.

2.12 Requests for Information.

- (A) If requested by Employer, Operator shall provide Employer with a summary of work accomplishments and a performance appraisal for each Secondce in the format that Operator uses to assess its employees.
- (B) If requested by Employer, Operator shall provide to Employer an annual report scheduling the amount and type of each payment or benefit that Operator provided to or on behalf of each Secondce.

JFA
P.S. [initials]
AMY

- (C) If requested by Operator, Employer shall provide (or cause its Employer Affiliate to provide) Operator with reasonable details of each Seconded's payroll and other compensation to facilitate budgeting, tax compliance and invoice processing.
- (D) The Parties shall endeavour to provide each other with such other information or assistance as is reasonably required in connection with this Master Secondment Agreement or any claim by a Seconded against either Party.

Article 3: COSTS

3.1 Responsibilities of Employer.

Unless otherwise agreed between Employer and Operator in a Secondment Location Addendum applicable to a specific Secondment Location (if any), Employer, acting in compliance with Employer's personnel policies, shall continue to be responsible (either directly or through an Employer Affiliate) for and shall bear and pay (and Operator shall not be responsible for the delivery of):

- (A) Each Seconded's base salary and other compensation in any form, including all customary allowances, entitlements and benefits, earned by such Seconded during its employment with the Employer (or Employer Affiliate, if applicable) while on Secondment to the Operator's organization;
- (B) Health insurance, pension plan, defined contribution plan, profit sharing or stock option plan, or any other employment-related contributions for the benefit of each Seconded as an employee, whether statutory or otherwise;
- (C) Employer's (or an Employer Affiliate's, if applicable) liability insurance, including insurance against claims for compensation by third parties, and all obligations arising under applicable workers' compensation laws in respect of each Seconded to the extent normally extended by Employer (or an Employer Affiliate, if applicable) to its Home Location employees. Notwithstanding anything to the contrary in this Article 3.1(C), Operator shall provide any statutory insurance or benefits which are required under labour or social agreements in the Secondment Location to the same extent Operator provides, or would provide, such items to Operator's employees in the Secondment Location;
- (D) Home expenses with respect to the Seconded's residence in the Home Location which shall include Seconded's home sale expenses, property management and maintenance expenses;
- (E) Taxes in the Home Location of each Seconded while in the Secondment Location, which shall include payroll taxes, withholding taxes or any other form of cost or charge assessed in respect of the employment of each Seconded; and
- (F) Any other direct costs, charges or expenses assessed against an Employer (either directly or through an Employer Affiliate) under any applicable Laws/Regulations in relation to the employment of persons such as a Seconded.

3.2 Monthly Charge.

With respect to each Secondment, Employer shall charge Operator, on a monthly basis: (a) the Monthly Rate for each month during such Secondment; (b) any other costs and expenses that are incurred by Employer (either directly or through an Employer Affiliate) under the terms of this Master Secondment Agreement and any other items which may be incurred by Employer (either directly or through an Employer Affiliate) under the terms of the applicable Secondment Location Addendum (if any) that are attributable to each Seconded during the Secondment Period and that would be chargeable to the Unit Account under the Unit Accounting Procedure of the UUA for an employee of Operator; and (c) all administrative costs and expenses and other indirect charges that are directly attributable or fairly allocated to the Secondment of each Seconded (collectively, the "Monthly Charge").

3.3 Relocation Costs.

In addition to the Monthly Charge, Employer shall, according to the personnel policies of Employer and to the extent chargeable to the Unit Account under the UUA, charge the Operator for the actual documented costs incurred by Employer (either directly or through an Employer Affiliate) for relocation of each Seconded from his or her Home Location to the Secondment Location and return, which may include the following:

- (A) Transportation and travel expense;

- (B) Initial or temporary accommodation, meal and any other arrival expenses for up to a maximum of three (3) months;
- (C) Resettlement allowance;
- (D) Home sale assistance (which will include costs and expenses associated with Employer's (or an Employer Affiliate's, if applicable) assistance (acting in accordance with the personnel policies of Employer) to the Seconded with the sale of such Seconded's permanent accommodation in the Home Location);
- (E) Relocation agency costs; and
- (F) Air and sea freight and insurance charges;

3.4 Procedure.

- (A) Within fifteen (15) Days after the end of each Calendar Month, Employer shall invoice the Operator for the Monthly Charge for such month and for reimbursement of the costs referred to in Article 3.3 above. Each invoice shall be itemized by Seconded. Within fifteen (15) Days of the receipt of the invoice, Operator shall pay the amount of each invoice to Employer in U.S. Dollars by wire transfer of immediately available funds to the bank and account designated on the invoice.
- (B) Operator shall pay all amounts invoiced in full, whether or not disputed, and waives any right of set off, provided that Operator's payment of any charge shall be without prejudice to its right to later contest the charges. If Operator disputes all or any portion of an invoice, Operator and Employer shall confer as soon as practicable to resolve the dispute. If the dispute is resolved by Employer and Operator, or by the process of Clause 20.3 of the UUOA, in favour of Operator, Employer shall refund the disputed amount, together with interest thereon at the Agreed Interest Rate (as of the date the dispute is resolved or decided) from the date on which the disputed amount was paid by the Operator until the date the Employer refunded such disputed amount.

3.5 Past Due Amounts.

Any amounts not paid on or before the date due under this Master Secondment Agreement shall bear interest from the date due until paid in full at the interest rate provided for in Clause 10.4 of the UUOA.

Article 4: LIABILITY AND INDEMNITY

4.1 Liability and Indemnity.

The provisions of Clauses 7.3(G) and 7.6 of the UUOA shall apply with respect to any liability of Operator and/or Employer or Employer Affiliate arising out of or as a result of the Services performed pursuant to this Master Secondment Agreement.

4.2 Notice of Claim and Opportunity to Defend.

Each Party shall notify the other as soon as practicably possible after receiving notice of any claim, demand or action that may be presented to or served upon such Party or any other indemnified person affiliated with such Party by any third person or entity arising out of or as a result of the Services performed pursuant to this Master Secondment Agreement, and shall afford the other Party full opportunity to assume the defence of such claim, demand or action.

4.3 Limitation of Liability.

Without prejudice to the terms of the UUOA regarding any Party's liability for its Paying Interest share of such amounts allocated to the Unit Account, but notwithstanding the other terms of this Article 4, neither Party (nor any Employer Indemnitee nor Operator Indemnitee) shall be liable to the other for Consequential Loss or Environmental Loss deriving from a breach of any term of this Master Secondment Agreement.

4.4 Scope and Cost of Indemnities.

Any liability assumed or indemnity given by Employer for the benefit of Operator shall be deemed to be assumed or given also for the benefit of the Non-Operators and any cost or expense associated with such liability or indemnity shall be charged to the Operator and subsequently charged to the Unit Account and treated in accordance with the terms of the UUOA. Nothing in this Master Secondment Agreement shall be deemed to release Employer from or to limit any liability or obligation that Employer may have as a Party to the UUOA.

4.5 Employer's Liability Insurance.

Employer shall name (or cause its Employer Affiliate to name) Operator as an additional insured on Employer's (or Employer Affiliate's, if applicable) liability insurance, to the extent permitted by applicable law, and shall obtain waivers of rights of recourse against Operator and the Non-Operators.

Article 5: CONFIDENTIALITY AND COMPETITION

5.1 Confidential Information.

- (A) Each Party shall maintain as confidential, and not divulge, any information or data, other than Unit Data (which is governed by the UUOA) not publicly available, which is disclosed to such Party by the other as a consequence of the Secondment of Secondces pursuant to this Master Secondment Agreement, subject to those exceptions provided for in Clause 17.2(A) of the UUOA.
- (B) Employer shall be responsible for ensuring that each Secondce shall keep strictly confidential the terms of this Master Secondment Agreement and all information and data acquired by each Secondce during the Secondment; provided that nothing in this Master Secondment Agreement, or if applicable the Secondce Agreement, shall be deemed to prohibit a Secondce from disclosing:
 - 1) Information and data with respect to Unit Operations to Employer, or any other Party to the UUOA which is not in default under the UUOA with respect to Unit Operations;
 - 2) Information and data to the extent required to be furnished in compliance with the applicable Law/Regulations, or pursuant to any legal proceedings or because of any order of any court binding upon such Secondce; provided that, where reasonably possible, prior to any such disclosure the Secondce provides reasonable advance notice of the disclosure and the legal reasons for such disclosure to Operator;
 - 3) Information and data to prospective or actual attorneys engaged by a Secondce, where disclosure of such information and data is essential to such attorneys' work for such Secondce in relation to this Master Secondment Agreement or the Secondce Agreement; or
 - 4) Information and data which, through no fault of a Secondce, is or becomes a part of the public domain.

5.2 Breach of Confidentiality.

Employer acknowledges that any breach of a Secondce's duty of confidentiality under Article 5.1(B) may result in the immediate removal of such Secondce pursuant to Article 6.2(B)(2). In addition, Employer shall indemnify Operator for any costs, excluding Consequential Loss, incurred by Operator pursuant to any breach of confidentiality by Employer under Article 5.1(A), or by Secondce under Article 5.1(B), or by any other person to whom Employer has disclosed such confidential information pursuant to the exceptions provided in Clause 17.2(A) of the UUOA.

5.3 Right of Competition.

The Operator recognizes that after a Secondce has completed a Secondment hereunder, that Secondce may continue working in the oil or natural gas industry and may be involved by the Employer or one of its Affiliates in business activity of a related or similar nature to the work activity that Secondce performed for the Operator during that Secondment, including in the same Secondment Location. The Operator agrees that nothing in this Master Secondment Agreement, or the Secondce Agreement, shall be interpreted to interfere with the ability of a Secondce to continue working in the oil or natural gas industry or preclude or limit any work assignment of a Secondce in the future, so long as that Secondce does not make any unauthorized disclosure of confidential information, as described in Article 5.1(B) above, in the performance of those services.

Article 6: DURATION AND TERMINATION

6.1 Duration of Master Secondment Agreement and the Secondment.

Any Party may terminate this Master Secondment Agreement by notice to the other Party, if:

- (A) There has been a material breach by the other Party of its respective obligations under this Master Secondment Agreement, which has not within a period of thirty (30) Days from the affected Party's notice of such breach been remedied effectively;

JSA
1-5
AM

- (B) Operator or Employer no longer holds an interest in the UUOA;
- (C) There is a change in legislative or fiscal regime, including the manner in which any Governmental Authority or court interprets such regimes, which in the reasonable opinion of any Party would have a material adverse effect on such Party if performance is continued;
- (D) Subject to Operator's right to assign this Master Secondment Agreement under Article 7.1 below, the Operator ceases to be Operator under UUOA; or
- (E) The UUOA terminates.

The provisions of Articles 4, 5 and 7 shall survive the termination of this Master Secondment Agreement.

6.2 Operator's Right to Terminate the Secondment.

- (A) Operator may terminate a Secondee's Secondment upon thirty (30) Days prior written notice to the Employer:
 - 1) If Employer does not approve a change of Secondment Location or a change of Services of the Secondee pursuant to Article 2.8 of this Master Secondment Agreement;
 - 2) If the Secondee repeatedly fails to comply with Operator's workplace rules, regulations and policies, or the directions given by Operator's management;
 - 3) If the Secondee after receiving notice of unsatisfactory performance fails to perform the Services in a manner that in Operator's reasonable judgment is satisfactory;
 - 4) If an Employer Affiliate, which is the direct employer of the Secondee, ceases to be an Affiliate of Employer;
 - 5) If the Secondee ceases to be an employee of Employer or an employee of an Employer Affiliate (as the case may be);
 - 6) If necessary work permits, visas and any other administrative authorization required to allow the Secondee to work and reside in the Secondment Location are not obtained within a reasonable period of time, or are cancelled or withdrawn; or
 - 7) If the Unit Operating Committee fails to approve the funding for such Secondment.
- (B) Operator may terminate a Secondee's Secondment immediately without notice to Employer:
 - 1) If such Secondee engages in serious misconduct or violates any substantive or material Laws/Regulations, which in Operator's reasonable judgment either:
 - a) significantly impairs such Secondee's ability to perform the Services or to live and work in the Secondment Location; or
 - b) adversely affects Operator's relations with any Governmental Authority; or
 - 2) If such Secondee materially breaches the confidentiality obligations under this Master Secondment Agreement, or if applicable, the Secondee Agreement.
- (C) In the event a party to the UUOA has given a notice of Force Majeure under Clause 18.1 of the UUOA, which, in the reasonable opinion of the Operator, has a material effect on Secondee's Secondment, then Operator may terminate such Secondee's Secondment with immediate effect by giving notice to Employer provided that such notice of termination is served during the Force Majeure period.
- (D) Immediately after any termination without notice, Operator shall notify Employer setting out the reasons for such termination.
- (E) If Secondee's Secondment is terminated by Operator under Article 6.2(A)(6), Article 6.2(A)(7) or 6.2(C) above, Operator shall bear the costs associated with such Secondee's return to his or her Home Location and shall also bear the cost of providing an alternate candidate for the purposes of replacing such Secondee (if any). For the avoidance of doubt such costs shall be charged to the Unit Account in accordance with the terms of the UUOA.

JCH
P.S.
AM

6.3 Employer's Right to Terminate the Secondment.

Each Secondee shall be assigned to Operator for the Secondment Period and Employer will use all reasonable endeavours not to terminate such Secondee's Secondment during the Secondment Period; except that:

- (A) Employer shall have the right to immediately terminate a Secondee's Secondment in case of Force Majeure, or a personal emergency concerning the Secondee or other personal circumstances asserted by the Secondee. Employer shall promptly give notice setting out the general circumstances of such Force Majeure event, personal emergency or personal circumstances;
- (B) Where an Employer Affiliate, which is the direct employer of the Secondee, ceases to be an Affiliate of Employer, Employer shall have the right to terminate such Secondee's Secondment by giving written notice to the Operator provided that such termination shall take effect no less than thirty (30) Days from the date on which such Employer Affiliate ceases to be an Affiliate of Employer, unless otherwise agreed by the parties in writing.
- (C) Subject to Article 2.8(B), Employer may terminate a Secondment on thirty (30) Days prior written notice if Employer disapproves the change of Secondment Location or a change of Services of a Secondee pursuant to Article 2.8 of this Master Secondment Agreement;
- (D) Employer shall have the right to immediately terminate a Secondee's Secondment if such Secondee ceases to be an employee of Employer or an employee of an Employer Affiliate (as the case may be);
- (E) Employer shall have the right to immediately terminate a Secondee's Secondment if the necessary work permits, visas and any other administrative authorization required to allow the Secondee to work and reside in the Secondment Location have not been obtained within a reasonable period of time, or are cancelled or withdrawn and not replaced or renewed within a reasonable period of time;
- (F) Employer shall have the right to immediately terminate a Secondee's Secondment if the Unit Operating Committee fails to approve the funding for such Secondment;
- (G) Employer may terminate a Secondee's Secondment if Employer or an Employer Affiliate (as the case may be) needs such Secondee's services in connection with another project; provided that the Employer shall notify the Operator as soon as reasonably practicable but in any case and unless otherwise agreed by the parties in writing:
 - 1) at least six (6) months in advance of such termination, where Secondee's Secondment Location is outside of the country of such Secondee's Home Location; and
 - 2) at least three (3) months in advance of such termination, where Secondee's Secondment Location is within the country of such Secondee's Home Location;
- (H) In the event a party under the UUOA has given a notice of Force Majeure under Clause 18.1 of the UUOA, which, in the reasonable opinion of the Employer, has a material effect on a Secondee's Secondment, the Employer may terminate such Secondee's Secondment with immediate effect by giving notice to Operator, provided that such notice of termination is served during the Force Majeure period.

For the avoidance of doubt, all costs associated with the termination of a Secondment under this Article 6.3 and, if applicable, a subsequent return to the Home Location by the Secondee shall be paid for by the Operator and charged to the Unit Account, except where such termination occurs under Article 6.3(G) in which case the Employer shall be responsible for the costs of such termination and substitution unless the termination occurs within six (6) months of the agreed end of the terminated Secondee's Secondment Period.

6.4 Secondee's Replacement.

Except as otherwise stated in this Master Secondment Agreement, if Employer or Operator terminates a Secondee's Secondment, the selection of a new Secondee, if any, shall be carried out in accordance with Article 2 above.

JBA
P.S.
JEN
AM
X

Article 7: MISCELLANEOUS

7.1 Assignment.

Neither Party shall assign or otherwise transfer all or any part of this Master Secondment Agreement, nor shall any Party delegate any of its rights or duties hereunder, without the prior written consent of the other Party, and any transfer or delegation made without such consent shall be void, provided that Operator shall be entitled to assign this Master Secondment Agreement without consent of the Employer to any Affiliate, to which it is entitled to assign operatorship under Clause 7.11 of the UWOA, provided that the successor must execute an assumption agreement in a form and substance which is reasonably satisfactory to the Employer by which the successor Operator agrees to be bound by the terms and conditions of this Master Secondment Agreement.

7.2 Captions.

The captions in this Master Secondment Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Master Secondment Agreement.

7.3 Confidentiality.

The existence and terms of this Master Secondment Agreement are confidential and shall not be disclosed by either Party, except such disclosures as permitted under Article 5.1 of this Master Secondment Agreement.

7.4 Counterparts.

This Master Secondment Agreement may be executed in counterparts, and by each Party in separate counterparts, each of which shall be deemed an original instrument, but both such counterparts together shall constitute one agreement.

7.5 Expenses.

Each Party shall pay its own legal fees and other costs and expenses incurred by it in connection with the execution and delivery of this Master Secondment Agreement.

7.6 Governing Law.

This Master Secondment Agreement shall be governed by, construed, interpreted and applied in accordance with the laws of the jurisdiction specified in Clause 20.2 of the UWOA, which laws shall apply by reference to the Master Secondment Agreement.

7.7 Dispute Resolution.

Any dispute arising under this Master Secondment Agreement shall be resolved in accordance with Clause 20.3 of the UWOA, which shall apply by reference to the Master Secondment Agreement.

7.8 No Third Person Beneficiaries.

The Contracts (Rights of Third Parties) Act 1999 (the "Act") shall only apply in respect of any relief from liability, hold harmless, indemnity or benefit expressly granted by Article 4 and, without prejudice to that Article, no Person who is not a Party (a "Third Party") shall otherwise have any right pursuant to the Act to enforce any term of this Master Secondment Agreement. Any rights held by a Third Party hereunder may only be enforced by arbitration in accordance with Article 7.7. The consent of a Third Party shall not be necessary for any revision or variation (including any release or compromise in whole or in part of any liability), novation or termination of this Master Secondment Agreement.

7.9 Notice.

The Notices provisions set forth in Clause 19 of the UWOA shall apply mutatis mutandis to this Master Secondment Agreement.

7.10 Severability.

The invalidity of any one or more provisions of this Master Secondment Agreement will not affect the validity of this Master Secondment Agreement as a whole, and in case of any such invalidity, this Master Secondment Agreement will be construed as if the invalid provision had not been included herein.

JBA
P.S. ~~BN~~ P
AM
S

7.11 Waivers.

Any failure by either Party to comply with any of its obligations, agreements, or conditions herein contained may only be waived in writing in an instrument specifically identified as a waiver and signed by the Party to whom such compliance is owed. No waiver of, or consent to a change in, any provision of this Master Secondment Agreement shall be deemed or shall constitute a waiver of, or consent to a change in, any other provisions hereof, nor shall such waiver constitute a continuing waiver unless expressly provided in the waiver.

7.12 Conflict.

In the event of any conflict between the provisions of the UUOA, this Master Secondment Agreement, and if applicable a Seconded Agreement, the provisions of the UUOA shall prevail over the provisions of this Master Secondment Agreement (except as otherwise expressly provided in the UUOA) and if applicable the Seconded Agreement, and the provisions of this Master Secondment Agreement shall prevail over the provisions of the Seconded Agreement, if applicable.

7.13 Entire Agreement.

This Master Secondment Agreement, including any attachments, constitutes the entire agreement between the Parties pertaining to the subject matter hereof, supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties with respect thereto, and may not be amended or modified except by a written instrument signed by both Parties expressly identifying it as an amendment or modification hereof.

IN WITNESS of their agreement, the Parties have caused their respective duly authorized representatives to execute this Master Secondment Agreement on the date first written above.

Operator:

Employer:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

JJA \$
A.S. [unclear]
AM
[unclear]

Attachment A to the Master Secondment Agreement
SECONDEE'S SPECIFICATIONS

Executed this _____ day of _____

Name

The Secondee shall be _____

Employer of Secondee _____

Qualifications

The Secondee shall have the following qualifications and experience:

Position

The Secondee shall have the position of _____ in Operator's organization which [shall/shall not] constitute a Senior Supervisory Personnel position as defined in the UUOA, and shall report to the _____ in Operator's organization.

Services

Secondee shall have and perform the following duties and authorities ("*Services*");

[job description and specifications]

Secondment Location and Duration

Secondee's Home Location shall be _____

The Secondee shall work in Operator's offices in _____ ("*Secondment Location*") commencing on _____ and ending on _____ ("*Secondment Period*").

Monthly Rate

Employer will charge Operator US\$ ___ for each Month of the Secondee's Secondment ("*Monthly Rate*").

Operator:

By: _____

Name: _____

Title: _____

Employer:

By: _____

Name: _____

Title: _____

JIA F
P.L. WJ
BLM

Attachment B to the Master Secondment Agreement

FORM OF SECONDEE AGREEMENT

[NOTE: PLEASE INCLUDE EMPLOYER AFFILIATE WHERE AN EMPLOYER AFFILIATE (RATHER THAN THE EMPLOYER) IS THE DIRECT EMPLOYER OF SECONDEE. IF THE EMPLOYER IS THE DIRECT EMPLOYER OF SECONDEE, DELETE ALL REFERENCES TO EMPLOYER AFFILIATE IN THIS DOCUMENT.]

THIS SECONDEE AGREEMENT (the "Secondee Agreement") executed this _____ day of _____, between _____ ("Operator") and _____ ("Employer"), [_____ ("Employer Affiliate")] and _____ ("Secondee") is entered into effective as of _____ (the "Effective Date") (Operator, Employer, [Employer Affiliate] and Secondee are sometimes referred to collectively as the "Parties" and individually as a "Party") and is premised on the fact that:

WHEREAS:

- (A) Operator and Employer have entered into that certain Master Secondment Agreement dated _____ (the "Master Secondment Agreement"), which, among other things, governs the relationship between Employer and Operator with respect to this Secondment; and
- (B) Pursuant to the Unitization and Unit Operating Agreement covering the Jubilee Field Unit located offshore in the Republic of Ghana among Operator, Employer and others, dated _____ (the "UUOA"), Employer may, as the result of Operator's request or Employer's proposal, second (or cause its Affiliates to second) in accordance with the Master Secondment Agreement its employees to fill certain positions in Operator's organization for conduct of operations.

In consideration of the premises set out above, and the provisions set out below, the Parties agree as follows:

SECTION 1: TERMS

1.1 Secondment.

The Secondee shall:

- (A) have the position of _____ in Operator's organization;
- (B) provide _____ services in relation to such position ("Services");
- (C) perform such Services in _____ (the "Secondment Location");
- (D) accept that the Secondment shall be for a period commencing on _____ and ending on _____ (the "Secondment Period") unless such Secondment Period is extended or terminated; and
- (E) report to the [position] in Operator's organization.

1.2 Conduct.

- (A) Secondee shall be integrated into Operator's organization for the Secondment Period and shall comply with:
 - 1) All applicable rules, regulations, policies and other practices established by Operator for its employees;
 - 2) Laws and regulations applicable to the Services and this Secondee Agreement; and
 - 3) Instructions and directions of Operator with respect to the performance of the Services and actions taken on Operator's behalf provided that such instructions and directions are compliant with applicable rules, regulations, policies and other practices established by Operator.
- (B) Secondee shall perform the Services contemplated by this Secondee Agreement with due diligence and in a good, competent, professional and safe manner in accordance with applicable laws and regulations, the standards and practices of the international petroleum industry, and the supervision and control of the Operator.

1.3 Status of Secondee.

JJA
P.S. 4/20
AM
YB

Seconded acknowledges that:

- (A) Seconded is and shall continue to be an employee of [Employer/Employer Affiliate] and not of the Operator for all purposes, and shall remain on [Employer's/Employer Affiliate's] payroll. As an employee of [Employer/Employer Affiliate], any employment benefits that he or she is entitled to during Secondment including, but not limited to, all forms of remuneration, promotion, provision of benefits and career planning, will be provided to him or her by [Employer/Employer Affiliate] and he or she will be limited to those benefits offered to employees by [Employer/Employer Affiliate] and to which he or she is eligible under [Employer's /Employer Affiliate's] benefit plans and policies;
- (B) For the avoidance of doubt, Seconded shall not be entitled to or eligible for any employment benefits including, but not limited to, all forms of remuneration, provision of benefits which are provided by the Operator or any of its partners or affiliates to its or their employees, directors or contractors;
- (C) [In the event the Seconded suffers or incurs a job-related injury during his or her Secondment, workers' compensation insurance coverage will be provided to him or her by [Employer/Employer Affiliate], such workers' compensation insurance will extend to and cover such on-the-job injury or injuries incurred during the Secondment, and that such workers' compensation will be his or her exclusive remedy against Employer, [Employer Affiliate], Operator, or the partners or affiliates of Operator or Employer [or Employer Affiliate] for any such work-related injuries during the Secondment.] *[NOTE: OPTIONAL SUBJECT TO EMPLOYER'S DISCRETION]*
- (D) As an employee of [Employer/Employer Affiliate], Seconded will take no action on behalf of Operator or its Affiliate(s) except as may be specifically authorized in writing by Operator;
- (E) Operator shall have the right to specify the scope and nature of Seconded's work and the results to be achieved, and to direct Seconded in the performance of the Services throughout the Secondment Period;
- (F) Seconded shall have no authority to make any statement, representation, or commitment of any kind or to take any action that shall be binding upon Operator, except as may be specifically authorized in writing by Operator;
- (G) Seconded's Secondment is a temporary secondment and, subject to the terms of this Agreement, is anticipated to continue until the end of the Secondment Period; and
- (H) Operator shall have no authority to terminate employment or to administer disciplinary action with respect to Seconded. Only the Employer [or Employer Affiliate] shall have authority to discipline Seconded. For the avoidance of doubt, the terms of this Section 1.3(H) shall be without prejudice to Operator's right to terminate Seconded's Secondment as provided in Section 3 of this Seconded Agreement.

1.4 Change of Location or Services.

Subject to Seconded's agreement, Seconded's Secondment Location and scope of the Services to be rendered under this Seconded Agreement may be changed from time to time.

SECTION 2: CONFIDENTIALITY AND WAIVER

2.1 Confidential Information.

- (A) Seconded acknowledges that all information and data obtained by Seconded in the performance of this Seconded Agreement is the property of the Operator and/or the Parties to the UUOA, or of the Government of the Republic of Ghana.
- (B) Seconded shall hold all such data and information strictly confidential, and without the prior written consent of Operator shall not disclose any such information or data to anyone, except disclosure of:
 - 1) Information and data with respect to Unit Operations to Employer, or any other Party to the UUOA which is not in default of the UUOA;
 - 2) Information and data to the extent required to be furnished in compliance with the applicable law or regulations, or pursuant to any legal proceedings or because of any order of any court binding upon Seconded; provided that, where reasonably possible, prior to any such disclosure the Seconded provides reasonable advance notice of the disclosure and the legal reasons for such disclosure to Operator;

Handwritten signatures and initials: JVA, AM, R, P.S., and a large signature.

- 3) Information and data to its attorneys engaged by Seconded, where disclosure of such information and data is essential to such attorneys' work for Seconded in relation to this Seconded Agreement; or
 - 4) Information and data which, through no fault of Seconded, is or becomes a part of the public domain.
- (C) Seconded further acknowledges that certain information made available to such Seconded during his or her Secondment may include data covered by the Export Administration Regulations of the United States Government (the "Regulations"). In accordance with these Regulations, the Seconded acknowledges that neither the unpublished technical data disclosed to him or her during his or her Secondment nor the direct product thereof, may be shipped, directly or indirectly, to any of the countries to which export is prohibited under the Regulations.
- (D) Seconded further acknowledges that the existence and terms of this Seconded Agreement are confidential on the terms set forth above in this Section.
- (E) Seconded acknowledges that any breach of the duty of confidentiality may result in Seconded's immediate removal pursuant to Section 3.2(K). Seconded further acknowledges that because monetary damages may not be an adequate remedy for breach of the duty of confidentiality, Seconded specifically agrees that Operator is entitled to enforce the duty of confidentiality by obtaining injunctive or other equitable relief.

2.2 Competitive Advantage.

Seconded acknowledges that the international oil and gas business is highly competitive. Seconded also acknowledges that the information which Seconded obtains about Operator's strategies, methods, and business relationships comprises confidential business information which enables Operator to obtain a competitive advantage, and that maintaining confidentiality of such business information is of critical importance to Operator in maintaining its competitive position. Seconded covenants not to use such information in a manner that Seconded knows, or reasonably should know, may be prejudicial to the interests of Operator or its Affiliates, particularly in Ghana, during the term of this Seconded Agreement, and not to communicate to Employer [or Employer Affiliate] any specific business opportunities unrelated to the UUOA of which Seconded becomes aware from Operator or its Affiliates in the course of performing this Seconded Agreement; provided that nothing in this Section 2.2 shall prevent Seconded from communicating with Employer and its Affiliates concerning information relating to operations under the UUOA, so long as Employer is not in default under the UUOA. Seconded acknowledges that Seconded shall not have any interest in any granting instrument or other contract which Operator or its Affiliates may obtain as a direct or indirect result of Seconded's efforts. Seconded acknowledges that the restrictions set out above may limit his or her ability to engage in businesses similar to Operator's and its Affiliates' during the term of this Seconded Agreement.

SECTION 3: DURATION

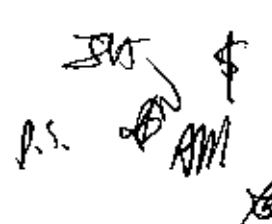
3.1 Term.

This Seconded Agreement shall come into effect on the Effective Date and shall continue to be in full force and effect until expiration of the Secondment Period unless it is terminated earlier in accordance with Section 3.2 below.

3.2 Termination.

The Seconded hereby acknowledges that this Seconded Agreement may be terminated by either the Operator or the Employer for the following reasons:

- (A) a termination of the Master Secondment Agreement;
- (B) the Seconded ceasing to be the employee of [Employer/Employer Affiliate];
- (C) [Employer Affiliate ceasing to be an Affiliate of the Employer;]
- (D) Employer ceasing to hold an interest in the UUOA;
- (E) If necessary work permits, visas and any other administrative authorization required to allow the Seconded to work and reside in the Secondment Location are not obtained within a reasonable period of time, or are cancelled or withdrawn;
- (F) If the Unit Operating Committee fails to approve the funding for such Secondment;



 J.S. \$

- (G) If Employer [or Employer Affiliate] needs the Seconded's services in connection with another project;
- (H) Seconded's repeated failure to comply with Operator's workplace rules, regulations and policies, or the directions given by Operator's management;
- (I) Seconded's failure, after receiving notice of unsatisfactory performance, to perform the Services in a manner that in Operator's reasonable judgment is satisfactory;
- (J) Seconded's engagement in serious misconduct or violation of any substantive or material laws, which in Operator's reasonable judgment significantly either: (a) impairs such Seconded's ability to perform the Services or to live and work in the Secondment Location; or (b) adversely affect Operator's relations with any Governmental Authority;
- (K) Seconded's material breach of the confidentiality obligations set out in Section 2 of this Seconded Agreement; or
- (L) In the event of a Force Majeure under the UUOA.

3.3 Survival

The provisions of Sections 2 and 4 shall survive the termination of this Seconded Agreement.

SECTION 4: MISCELLANEOUS

4.1 Assignment.

Neither the Operator nor the Employer shall have the right to assign or otherwise transfer all of any part of this Seconded Agreement without the corresponding assignment or transfer of the Master Secondment Agreement.

[Neither Employer Affiliate nor] Seconded shall not assign or otherwise transfer all or any part of this Seconded Agreement nor shall Seconded delegate any of his or her rights or duties under this Seconded Agreement, without the prior written consent of the Operator and the Employer, and any transfer or delegation made without such consent shall be void.

4.2 Governing Law and Dispute Resolution.

This Seconded Agreement shall be governed by, construed, interpreted and applied in accordance with the laws of [NOTE: TO BE INSERTED AS APPROPRIATE], excluding any choice of law rules, which would refer the matter to the laws of another jurisdiction and the courts of [NOTE: TO BE INSERTED AS APPROPRIATE] shall have jurisdiction to hear all disputes that cannot be amicably settled between the Parties.

4.3 Notice.

Any notice to be given in relation to this Seconded Agreement shall be in writing and delivered either by mail, courier or fax (but not e-mail) and addressed to the following addresses:

<p>OPERATOR</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>EMPLOYER</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
<p>[EMPLOYER AFFILIATE]</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>SECONDEE</p> <p>_____</p> <p>_____</p> <p>_____</p>

JA
 P.S.
 NEW
 AM
 *

4.4 Effect of invalidity of certain provisions.

The invalidity of any one or more provisions of this Seconded Agreement will not affect the validity of this Seconded Agreement as a whole, and in case of any such invalidity, this Seconded Agreement will be construed as if the invalid provision had not been included herein.

4.5 Conflict.

With respect to the rights and obligations between Seconded, and [Employer/Employer Affiliate], in the event of any conflict between Seconded's employment arrangement with [Employer/Employer Affiliate] and this Seconded Agreement, the provisions of this Seconded Agreement shall prevail over the provisions of such employment arrangement.

With respect to the rights and obligations between Employer [Employer Affiliate] and Operator, in the event of any conflict between the provisions of Clause 7.3 of the UUOA, the Master Secondment Agreement and this Seconded Agreement, the provisions of Clause 7.3 of the UUOA shall prevail over the provisions of the Master Secondment Agreement and this Seconded Agreement, and the provisions of the Master Secondment Agreement shall prevail over the provisions of this Seconded Agreement.

4.6 Entire Agreement.

This Seconded Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof, supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written, of the Parties with respect thereto, and may not be amended or modified except by a written instrument signed by all Parties expressly identifying it as an amendment or modification hereof.

IN WITNESS of their agreement, the Parties have caused this Seconded Agreement to be executed.

Operator:

By: _____
Name: _____
Title: _____

Employer:

By: _____
Name: _____
Title: _____

[Employer Affiliate:

By: _____
Name: _____
Title: _____

JJA
AM
R.S. [Signature]

Secondee

I HEREBY CERTIFY THAT I HAVE CAREFULLY READ, FULLY UNDERSTAND AND VOLUNTARILY SIGN THIS SECONDEE AGREEMENT, AND UNDERSTAND COMPLETELY ALL THE TERMS USED AND THEIR SIGNIFICANCE. I ALSO CONFIRM THAT I WAS GIVEN AN OPPORTUNITY TO SEEK COLNSEL AND GUIDANCE AS NECESSARY REGARDING THE APPLICATION OF THE PRINCIPLES AND EXPECTATIONS SET FORTH IN THIS SECONDEE AGREEMENT

By: _____

Name: _____

Title: _____

Handwritten notes and initials in the bottom right corner, including "JIA", "AM", and other illegible scribbles.

EXHIBIT R: PART 2

INITIAL POSITIONS

Part 2a: Secondees to the IPT Technical Operator as of Effective Date

<u>Name</u>	<u>Group</u>	<u>Position within Operator</u>	<u>Position Level</u>	<u>Seconding Company</u>	<u>Location</u>
Scott Munsell	Subsurface Group	Development Geologist		APC	Dallas
TBN	Subsurface Group	Development Geophysicist		APC	Dallas/Houston
Robin Mecklenburgh	Subsurface Group	Development Geoscientist		TLW	Dallas/Houston
Pat Padayachee	Subsurface Group	Reservoir Engineer		TLW	Dallas/Houston
James Wilde	Subsurface Group	Reservoir Engineer-Operations		APC	Houston
Cory Weinbel	Facilities Group	Facilities Manager	Area Manager	APC	Houston
Ron Araujo	Facilities Group	FPSO Delivery Manager		APC	Houston/Singapore
Rob Brown	Facilities Group	Engineering Manager		TLW	Dallas/Houston
Richard Cain	Facilities Group	Subsea Development Manager		APC	Houston
TBN	Facilities Group	Subsea Engineer		TLW	Dallas/Houston plus Ghana
TBN	Facilities Group	Project Engineer		TLW	Dallas/Houston
TBN	Facilities Group	Project Engineer		TLW	Dallas/Houston
Greg Biggerstaff	Facilities Group	FPSO Facilities Project Engineer		APC	Houston
TBN	Final reporting TBD by IPT Director	HUC Manager	Area Manager (when in execution phase)	TLW	Dallas/Houston plus Ghana
Bennie Traylor	Business Services Group	Business Services Manager	Area Manager	APC	Houston

JBA
AS
TBN
AM
JS

Wayne Epperley	Business Group	Services	Finance Co-ordinator		TLW	Dallas/Houston
Analya Morales	Business Group	Services	Livelink System Administrator		APC	Houston
John Gautreau	Business Group	Services	Project Controls Mgr.		APC	Dallas
Gary Fskew	Business Group	Services	Supply Chain Management Advisor		APC	Houston
Thomas Yang	Business Group	Services	Supply Chain Management Advisor		APC	Houston
Bailey Howell	Business Group	Services	Supply Chain Management Advisor		APC	Houston
Randy Griffin	Production Operations Group		Senior Operational Readiness Engineer	Area Manager	TLW	Dallas/Houston
McCoy Manuel	Production Operations Group		Senior Operational Readiness Engineer		TLW	Dallas/Houston

N.B. Initial Positions of GNPC as Authorized Seconding Party to be agreed

Handwritten notes:
 JTA
 P.S.
 WEN
 AM
 [Signature]

Part 2b: Secondees to Unit Operator as of Effective Date

<u>Name</u>	<u>Group</u>	<u>Position within Operator</u>	<u>Position Level</u>	<u>Seconding Company</u>	<u>Location</u>
Kevin Blake LaGrone	Well Engineering Group	Completions Engineer		APC	London, UK
TBN	Production Operations Readiness Group	Production Operations Representative (FPSO)		Kosmos	London, UK and/or Houston and ultimately Offshore, Ghana
Asif Surti	Accounting Group	Operations Finance Manager		APC	London, UK
TBN	Accounting Group	Senior Management Accountant		Kosmos	Accra, Ghana
TBN	Business Services Group	Business Services Manager		Kosmos	Accra, Ghana
TBN	Business Services Group	Inventory Control Supervisor		Kosmos	Takoradi, Ghana
TBN	Sub-surface Group	Sub-surface technical professionals. (Up to 3 positions. Senior or junior/trainee level.)		APC and/or Kosmos	London, UK
TBN	Sub-surface Group				Potential later to Ghana
TBN	Sub-surface Group				

N.B. Initial Positions of GNPC as Authorized Seconding Party to be agreed

Handwritten signatures and initials in the bottom right corner, including what appears to be "R1" and several illegible signatures.

ATTACHED TO AND MADE PART OF THE UNITIZATION AND UNIT OPERATING AGREEMENT BY AND BETWEEN GHANA NATIONAL PETROLEUM CORPORATION, TULLOW GHANA LIMITED, KOSMOS ENERGY GHANA HC, ANADARKO WCTP COMPANY, SABRE OIL & GAS HOLDINGS LIMITED, AND EO GROUP LIMITED
(THE "AGREEMENT")

EXHIBIT "S"
FORM OF TECHNICAL SERVICES AGREEMENT

JIA
P.S. ~~AM~~
AM
B

TECHNICAL SERVICES AND COST REIMBURSEMENT AGREEMENT

Ghana Jubilee Field Unit

with respect to

UNITIZATION AND UNIT OPERATING AGREEMENT SERVICES AND COSTS

by and among

ANADARKO PETROLEUM CORPORATION

And

KOSMOS ENERGY GHANA HC

And

TULLOW GHANA LIMITED

Dated _____, 2009

AS
JTA
KSW
JTM
J

TABLE OF CONTENTS

1 DEFINITIONS 5

2 ENGAGEMENT OF ANADARKO BY OPERATOR 7

3 PROCEDURE FOR REQUESTING TECHNICAL SERVICES – SERVICE ORDERS 8

4 INVOICING AND PAYMENT 9

5 OPERATORS' RESPONSIBILITIES 10

6 ANADARKO'S RESPONSIBILITIES 11

7 RECORDS AND DOCUMENTATION OF ACTUAL COST 11

8 TAXES 12

9 LIABILITY AND INDEMNITY 12

10 CONFIDENTIALITY 14

11 NON SOLICITATION OF ANADARKO PERSONNEL 14

12 INTELLECTUAL PROPERTY 14

13 ASSIGNMENT 14

14 TERMINATION 15

15 CONFLICT WITH UVOA 16

16 COSTS OF NEGOTIATION 16

17 MISCELLANEOUS 16

JJA
BN
P-h *AM*
YB

This Technical Services and Cost Reimbursement Agreement (the "Agreement") is made this ___ day of _____ 2009.

BETWEEN:

Tullow Ghana Limited a company incorporated under the laws of Jersey having its principal office address at Fred. Roeskestraat 123, 1076 EE Amsterdam, the Netherlands ("**Tullow**") as Unit Operator under the UUOA (as defined herein), for and on behalf of itself, Ghana National Petroleum Corporation ("**GNPC**"), Kosmos Energy Ghana HC, Anadarko WCTP Company ("**Anadarko WCTP**"), Sabre Oil & Gas Holdings Limited ("**Sabre**"), and EO Group Limited ("**EO**") in their capacity as parties to the UUOA (as defined below)

Kosmos Energy Ghana HC a Cayman Islands company having its registered office at P.O. Box 1350 GT, Clifton House, 65 Fort Street, George Town, Grand Cayman, Cayman Islands ("**Kosmos**") as IPT Technical Operator under the UUOA (as defined herein), for and on behalf of itself, GNPC, Tullow, Anadarko WCTP, Sabre and EO in their capacity as parties to the UUOA (as defined below),

whereby Tullow and Kosmos shall each be referred to herein as "Operator", on the one hand

AND

Anadarko Petroleum Corporation, a Delaware corporation having its office at 1201 Lake Robbins Drive, The Woodlands, Texas ("**Anadarko**");

(Tullow, Kosmos and Anadarko are hereinafter collectively referred to as the "Parties" and individually as a "Party")

WHEREAS:

- (A) GNPC, Tullow, Kosmos, Anadarko WCTP and Sabre are parties to the Petroleum Agreement for the Deepwater Tano Contract Area dated March 10, 2006 ("**Tano Deep PA**");
- (B) GNPC, Tullow, Kosmos, Anadarko WCTP, Sabre and EO are parties to the Petroleum Agreement for the West Cape Three Points Contract Area dated July 22, 2004 ("**WCTP PA**");
- (C) Exploration, drilling, geological and geophysical studies have established the existence of a geological petroleum accumulation underlying the Deepwater Tano Contract Area (as defined in Tano Deep PA) and West Cape Three Points Contract Area (as defined in WCTP PA) (the "**Jubilee Field**");
- (D) On _____ 2009, GNPC, Tullow, Kosmos, Anadarko WCTP, Sabre and EO entered into the Unitization and Unit Operating Agreement to govern their respective rights and obligations in respect of Unit Operations (as defined therein) to be carried out with respect to the development of the Jubilee Field as a unit (the "**UUOA**");
- (E) Pursuant to Clause 7.3(H) of the UUOA, the Parties have agreed that, from time to time, Anadarko WCTP (either directly or through its Affiliates) may provide services to support Unit Operator and IPT Technical Operator in conducting Unit Operations under the UUOA;

JFA
P.S. [initials]
AM
[initials]

(F) The Parties hereby agree that subject to the Unit Operating Committee's approval of a Work Programme and Budget under the UUOA, all Anadarko Costs (as defined herein) which are subject to this Agreement shall be Unit Costs and charged to the Unit Account under the terms of the UUOA; and

(G) The Parties now wish to record the basis on which Anadarko (an Affiliate of Anadarko WCTP) shall provide (or cause its Affiliates to provide) Technical Services and Unit Operator shall reimburse Anadarko, as a Unit Account charge, for Anadarko Costs.

NOW THEREFORE IN CONSIDERATION OF THE MUTUAL PROMISES MADE HEREUNDER, THE PARTIES AGREE AS FOLLOWS:

1 DEFINITIONS

Any capitalized terms not specifically defined herein shall have the respective meanings set out in the UUOA.

"Affiliate" means in relation to any Party, a company, partnership, person, persons or other legal entity which controls or is controlled by, or which is controlled by an entity which controls, a Party. Control means the ownership directly or indirectly of more than fifty percent (50%) of the voting rights in a company, partnership or legal entity or the ability to direct, directly or indirectly, the management or policies of a company, partnership, person or other legal entity, whether through ownership of voting shares or other voting rights, pursuant to written contract, or otherwise.

"Anadarko Costs" means the aggregate of:

(a) an Hourly Rate to be charged by Anadarko to Unit Operator for each hour in any Man Day of Technical Services provided by each Anadarko Personnel to either Operator. For the avoidance of doubt, where an Anadarko Personnel provides Technical Services for more than nine (9) hours in any one Man Day or for more than eighty (80) hours in any two (2) consecutive calendar weeks, Anadarko shall charge Unit Operator a maximum of nine (9) hours for such Man Day and a maximum of eighty (80) hours for such two (2) consecutive calendar weeks;

(b) any costs, other than costs included in the Hourly Rate, properly incurred by Anadarko and its Affiliates in procuring the provision of the Technical Services and which are payable to a third party; and

(c) any other costs, other than costs included in the Hourly Rate, which shall include but shall not be limited to travel, communication, office space and administrative costs and expenses as well as disbursements.

"Anadarko Personnel" means the directors, officers and employees or individual consultants of Anadarko or its Affiliates which will provide Technical Services to either Operator under this Agreement the positions of which are listed in Appendix A to this Agreement, which may be amended from time to time under the terms of this Agreement.

IA
P.S. *[Handwritten initials]*
AM
VS

"Effective Date" shall mean the Effective Date.

"Good Industry Practice" means the exercise of that degree of skill, diligence, prudence, foresight and operating practice which would, at the relevant time, reasonably and ordinarily be expected from a skilled and experienced person engaged in providing similar services in similar circumstances seeking in good faith to comply with all applicable law and applicable codes of practice under the same or similar circumstances and having regard to applicable international standards.

"Governmental Authority" means (i) any national, regional or local government and any ministry or department thereof, (ii) any person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government (including any independent regulator), (iii) any other governmental entity, instrumentality, agency, authority, court, or company, (iv) any other entity, committee or commission under the direct or indirect control of a government, or (v) any government-owned or controlled commercial enterprise;

"Gross Negligence/Wilful Misconduct" has the meaning ascribed to it in Article 9(D) of this Agreement.

"Hourly Rate" means a rate to be charged per hour as stipulated in Appendix A for each Anadarko Personnel (which shall be based, without limitation, on cost of salary and other compensation, benefits, employer's liability insurance and employment related taxes with respect to such Anadarko Personnel).

"HSE" means health, safety and environment.

"Intellectual Property" has the meaning ascribed to it in Article 12 of this Agreement.

"Jubilee Field" has the meaning ascribed to it in Recital (C) of this Agreement.

"Losses" has the meaning ascribed to it in Article 9(D) of this Agreement.

"Man Day" means a working day consisting of nine (9) consecutive hours.

"Operator" means either Unit Operator or IPT Technical Operator or both, as the case may be.

"RFP" has the meaning ascribed to it in Article 3(A) of this Agreement.

"Service Order" has the meaning ascribed to it in Article 3(D) of this Agreement.

"Tano Deep PA" has the meaning ascribed to it in Recital (A) of this Agreement.

"Taxes" means any tax, charge, levy, impost, tariff, duty, gross receipts fee or other fee of any kind charged, imposed or levied, directly or indirectly, by any Governmental Authority of Ghana, including any value-added tax, turn-over tax, sales tax, stamp duty, import duty, real-estate tax, withholding tax (whether on income, dividends, interest payments, fees, equipment rentals or otherwise), tax on foreign currency loans or foreign exchange transactions, excise tax, property tax, registration fee or license, water tax or environmental, energy or fuel tax, including any interest, penalties or other additions thereon but excluding any taxes imposed on or measured by overall net income (however denominated), franchise taxes imposed (in lieu of net income taxes) and any branch profits taxes (or any similar tax) charged, imposed or levied.

JTA
AS. ~~BN~~
AM
XS

"Technical Services" means services listed in Appendix A which may be provided by Anadarko Personnel from the Effective Date to either Operator from time to time under the terms of this Agreement and the details of which will be set out in Service Orders, which services shall include but shall not be limited to data analysis, geological & geophysical studies and assessments, petroleum engineering, reservoir engineering, field and production management, international marketing of crude oil and sales, E&P operations finance, planning, tax and legal, information systems and human resources services.

"TSA Proposal" has the meaning ascribed to it in Article 3(B) of this Agreement.

"Unit Account" has the meaning ascribed to it in Clause 1.165 of the UUOA.

"UUOA" has the meaning ascribed to it in Recital (D) of this Agreement.

"WCTP PA" has the meaning ascribed to it in Recital (B) of this Agreement.

2 ENGAGEMENT OF ANADARKO BY OPERATOR

- (A) Each Operator may engage Anadarko from time to time to provide Technical Services by executing a Service Order between such Operator and Anadarko describing the specific Technical Services to be provided.
- (B) The Parties may from time to time amend the list of categories of Technical Services in Appendix A by agreement in writing.
- (C) Notwithstanding anything to the contrary in this Agreement, Anadarko shall perform the Technical Services as an independent contractor. Neither Anadarko nor its agents or employees, including, without limitation, its Affiliates in performing the Technical Services, shall be the agents or employees of either Operator. Anadarko and its Affiliates shall be fully responsible for and shall have exclusive direction and control of its agents and employees and shall control the manner and method of carrying out the Technical Services.
- (D) Notwithstanding anything to the contrary in this Agreement, Anadarko may in its provision of the Technical Services take such action as it deems necessary to protect the health and safety of persons or the environment or to comply with the terms of the WCTP PA and Tano Deep PA, any applicable law or the requirement of any Governmental Authority of the Republic of Ghana.
- (E) Anadarko may carry out the Technical Services using Anadarko Personnel and its resources, and/or those of its Affiliates at its sole discretion.
- (F) Anadarko shall have no obligation to provide or procure the provision of the Technical Services for any person other than an Operator.
- (G) Nothing in this Agreement shall prevent Anadarko from providing additional services (to the extent that such additional services are not specified in this Agreement) on such terms as the Parties shall agree in writing.
- (H) Nothing in this Agreement shall prevent Anadarko from providing services of a similar or dissimilar nature to the Technical Services to any other person.

PS
JBA
AM
YB

3 PROCEDURE FOR REQUESTING TECHNICAL SERVICES – SERVICE ORDERS

- (A) An Operator who desires to engage Anadarko hereunder from time to time shall submit a written request for proposal to Anadarko describing the specific scope of the Technical Services requested, giving as much data and information as is available, including any applicable time constraints (the "RFP").
- (B) Anadarko shall respond to the RFP submitted by an Operator in accordance with Article 3(A) above by sending a written notice to such Operator as soon as reasonably practicable but no later than fifteen (15) days from the date of receipt of such RFP by:
- (1) stating that it is unable to provide the Technical Services requested by such Operator; or
 - (2) submitting a proposal for the provision of Technical Services requested by setting out an estimate of the Man Days required, the proposed Anadarko Personnel to be engaged, their respective qualifications, the Hourly Rates to be charged for each such Anadarko Personnel and any other information that may be relevant in describing how and under what conditions the requested Technical Services will be performed/delivered (the "TSA Proposal").
- A failure by Anadarko to respond to Operator's RFP under this Article 3(B) within fifteen (15) days from the receipt of Operator's RFP shall be a deemed rejection to make a proposal to provide Technical Services and the Operator's RFP shall no longer be in force.
- (C) As soon as reasonably practicable and in any event within thirty (30) days following receipt of the TSA Proposal, the requesting Operator shall notify Anadarko in writing whether or not it accepts the terms of such TSA Proposal and/or whether such Operator requests any amendments to the TSA Proposal. A failure by such Operator to respond to Anadarko's TSA Proposal within such thirty (30) day period shall be a deemed rejection to accept such TSA Proposal whereupon Anadarko's TSA Proposal shall automatically lapse.
- (D) If such Operator and Anadarko reach an agreement on the scope of Technical Services to be provided, they shall execute a Service Order (a "Service Order") which shall describe the specific services to be performed and the consideration to be paid in accordance with the general terms and conditions of this Agreement and the format of such Service Order shall be in the form substantially similar to the format set out in Appendix B to this Agreement. The Service Orders entered into under this Agreement shall be sequentially numbered beginning with the number "one"(1).
- (E) For the avoidance of doubt, Anadarko shall be under no obligation to commence the provision of Technical Services requested by an Operator unless and until a Service Order has been agreed and executed between Anadarko and such Operator.
- (F) Anadarko shall have the right to review and amend an Hourly Rate for each position of Anadarko Personnel set out in Appendix A or in an agreed Service Order on an annual basis with a written notice to the Operator who is party to such Service Order, provided that Anadarko shall not make such amendments more than once in any calendar year. Any such amendment shall reflect actual costs incurred by Anadarko and shall not become effective earlier than sixty (60) days after the date of Anadarko's notice referred to in this Article 3(F).
- (G) Where such Operator is unable to accept an amended Hourly Rate proposed by Anadarko, either Party shall have the right to terminate one or more outstanding Service Orders affected by such

JFA
R.S.
KSW
JMM
J.B.

amended Hourly Rate by giving notice to the other Party at least thirty (30) days prior to such termination. For the avoidance of doubt, termination of one or more Service Orders under this Article 3(G) shall be without prejudice to Anadarko's right to receive payment and reimbursement for any outstanding Anadarko Costs which have been incurred by Anadarko but have not been paid by Unit Operator prior to such termination or to any outstanding Service Orders which have not been terminated.

- (H) Where an Operator requests additional Technical Services to be provided under an agreed Service Order, such Operator shall send the RFP to Anadarko and, subject to the terms of this Article 3, such Operator and Anadarko shall enter into a new Service Order setting out the terms and conditions for the provision of additional Technical Services requested by such Operator.
- (I) An Operator may request to terminate the provision of certain Technical Services set out in an agreed Service Order between such Operator and Anadarko, by giving a written notice to Anadarko at least thirty (30) days prior to such termination, and such Operator and Anadarko shall amend the Service Order to take into account such termination.
- (J) An Operator may terminate an agreed Service Order by giving at least thirty (30) days prior written notice to Anadarko.
- (K) Anadarko may terminate an agreed Service Order for reasons other than stipulated in Article 3(G) above at any time by giving at least sixty (60) days written notice to the Operator who is a party to such Service Order.
- (L) An Operator's right to terminate an agreed Service Order under Article 3(G) or Article 3(J) or Technical Service(s) under Article 3(I) and Anadarko's right to terminate an agreed Service Order under Article 3(K) shall be without prejudice to Anadarko's right to receive full payment and/or reimbursement of all Anadarko Costs incurred in relation to the terminated Technical Service(s) or Service Order up to the date of their termination. In addition, where Anadarko, under Operator's instructions, entered into a commitment with a third party to assist Anadarko in providing Technical Services under such Service Order, Unit Operator shall reimburse Anadarko for any cancellation and/or early termination fees or other costs or expenses which may derive from such early termination of such third party commitment.

4 INVOICING AND PAYMENT

- (A) In consideration of the Technical Services provided by Anadarko to either Operator under the terms of this Agreement, Unit Operator shall pay to Anadarko all Anadarko Costs based on a monthly invoice submitted by Anadarko to the Unit Operator.
- (B) Unit Operator shall remit payment to Anadarko in US Dollars for the total of all sums set out in the invoice by a wire transfer to the bank account designated by Anadarko within thirty (30) calendar days of receipt of a monthly invoice submitted by Anadarko.
- (C) The monthly invoices for Anadarko Costs (other than Hourly Rate) shall be calculated in accordance with the Accounting Procedure of the UVOA (excluding Section 2.7 (Overhead) thereof). Anadarko shall provide an analysis and summaries of the aggregate Anadarko Costs with appropriate supporting documentation.

JFA
P.S.
AM
YB

- (D) The Parties agree that Anadarko Costs shall include only those elements that are defined as cost recoverable in the Accounting Guide attached as Annex 2 to the WCTP PA and Tano Deep PA.
- (E) Unit Operator may dispute the invoice submitted by Anadarko under this Agreement provided that it notifies Anadarko of such dispute no later than sixty (60) days from the date of receipt of such invoice. Such notice of dispute shall be in writing and shall set out in detail the specific reasons for such dispute. Any invoice which is not disputed, or for which no reason for dispute is given within the said sixty (60) days from the date of receipt of such invoice, whether paid or not, shall, without prejudice to the Operators' right to audit under Article 7(B) and to request an independent certificate as provided under Article 4(H) below, be deemed to have been accepted by Unit Operator.
- (F) Unit Operator shall not be entitled to set-off, withhold, postpone or suspend payment of any invoice for Anadarko Costs or cash call by reason of any claims, complaints or objections against Anadarko or its Affiliates or by reason of any pending dispute with Anadarko or its Affiliates.
- (G) Any overdue payment of any sum payable by Unit Operator to Anadarko pursuant to this Article 4 shall bear interest at the default interest rate referred to in Article 10.4 of the UUA.
- (H) The Hourly Rate charged by Anadarko under this Agreement shall reflect actual costs for Anadarko or its Affiliates of providing Technical Services to the Operator. If requested by either Operator, Anadarko shall provide a certificate issued by an internationally reputable firm of chartered or public accountants certifying the same, provided that such certificate shall only be required to be issued once in any calendar year. Such certificate shall be conclusive as between both Operators and Anadarko as to the acceptability of Hourly Rates to be charged by Anadarko under this Agreement. The cost of providing such certificate shall be charged as Anadarko Cost by Anadarko to the Unit Operator in accordance with this Article 4.
- (I) Any Party may request the other Party to make the necessary adjustments, which may derive from the certificate issued under Article 4(II) above, to any subsequent invoices issued by Anadarko to the Unit Operator under this Agreement; provided, however, that where Anadarko is not expected to issue any further invoices under this Agreement, the adjustments mentioned in this Article 4(I) shall be made by payment in cash either by Anadarko to Unit Operator or by Unit Operator to Anadarko, as the case may be.

5 OPERATORS' RESPONSIBILITIES

- (A) Each Operator shall provide to Anadarko, without charge and in such good time so as not to delay or disrupt the performance of the Technical Services:
- 1) all necessary and relevant data and information in the possession of such Operator or its contractors or their respective servants, agents or subcontractors, as shall be reasonably required for the performance of the Technical Services;
 - 2) assistance from such Operator or its contractors or their respective servants, agents or subcontractors as shall reasonably be required by Anadarko or Anadarko Personnel for the performance of the Technical Services; and
 - 3) reasonable assistance for obtaining all necessary visas, work and residence permits, or any other licence or permit required by Anadarko Personnel in connection with the performance of the Technical Services.

JFA
P.S
AM
XB

- (B) Each Operator shall take all reasonable steps to ensure the reasonable health and safety of Anadarko Personnel in connection with the performance of the Technical Services and shall comply with the provisions of all applicable laws, including in respect of health and safety.

6 ANADARKO'S RESPONSIBILITIES

- (A) Anadarko will and will procure that any and each of Anadarko Personnel shall comply with laws, regulations and procedures applicable to the operations under the UUOA and Good Industry Practice when performing Technical Services.
- (B) In providing Technical Services, Anadarko shall comply with directions of the Operator relating to the Technical Services, provided that Anadarko considers such directions as consistent with Good Industry Practice, Anadarko's HSE policies and applicable laws, regulations and procedures.
- (C) Unless it is within the scope of Anadarko's Technical Services under this Agreement, and Anadarko is expressly directed or instructed by the Operator to do so, Anadarko shall not incur costs for services or materials on behalf of Unit Operator or enter into third party contracts that may create a lien or charge on the Unit Account. Any costs, expenses and charges incurred by Anadarko with regard to engaging third parties in conducting Technical Services under this Agreement, as directed or instructed by Unit Operator, shall be paid for by Anadarko in a timely manner so that no lien attaches to the Unit Area facilities or any interest therein, provided that such costs, expenses and charges shall be invoiced to the Unit Operator as Anadarko Costs.
- (D) Where Anadarko, under an Operator's instructions, engages a third party to assist Anadarko in providing Technical Services under this Agreement, Anadarko shall use reasonable endeavors to obtain express anticorruption provisions in a written agreement with such third party, which such provisions shall include, where appropriate in Anadarko's opinion, applicable anticorruption legislation provisions, audit rights, termination provisions, and a requirement that each such third party obtain similar provisions in any contracts with its subcontractors.
- (E) Anadarko shall use reasonable endeavours to obtain all necessary visas, work and residence permits required by Anadarko Personnel in connection with the performance of the Technical Services.
- (F) In the event that an Operator finds any of the Anadarko Personnel assigned to perform the Technical Services for such Operator unsatisfactory, such Operator shall notify Anadarko in writing of the reasons for such dissatisfaction, in which event, such Operator and Anadarko shall co-operate to resolve the problem, and if in the reasonable opinion of such Operator the proposed solution is not workable or acceptable, it shall request Anadarko to withdraw such Anadarko Personnel from the performance of the Technical Services and to propose to replace him/her with a suitable replacement.
- (G) Notwithstanding Article 6(F) above, where any Anadarko Personnel engages in serious misconduct which, in the reasonable judgement of such Operator, may significantly impair such Operator's ability to carry out operations under the UUOA or Anadarko's ability to provide Technical Services under this Agreement, such Operator may remove or request Anadarko to withdraw such Anadarko Personnel with immediate effect.

7 RECORDS AND DOCUMENTATION OF ACTUAL COST

- (A) Anadarko shall maintain a true and correct set of records pertaining to the Technical Services and shall retain auditable records of labour, material, invoices and other supporting documents pertaining

JPA
P.S.
ADM
YS

to the Technical Services for a period of not less than two (2) years after the end of the calendar year in which the Technical Services were performed.

- (B) Operators shall have reasonable access to and a right to audit the records referred to in Article 7(A) above on the terms set forth for audits of Operator under Section 1.8 of the Accounting Procedure in the UUOA. Subject to the Parties' agreement on the result of an audit, an Operator may request Anadarko to make the necessary adjustments, which may derive from such audit, to any subsequent invoices issued by Anadarko to the Unit Operator under this Agreement; provided, however, that where Anadarko is not expected to issue any further invoices under this Agreement, the adjustments mentioned in this Article 7(B) shall be made by payment in cash either by Anadarko to Unit Operator or by Unit Operator to Anadarko, as the case may be.

8 TAXES

Save for taxes levied on the income or profits of Anadarko (if any), all Taxes imposed in connection with the execution or implementation of this Agreement shall be borne by Unit Operator. In the event that any payment required to be made by Unit Operator to Anadarko hereunder is subject to the deduction or withholding of any Taxes (excluding taxes on the income or profits of Anadarko (if any)), such payment shall be increased to the extent necessary to ensure that the payee receives a net sum which it would have received had no such deduction or withholding been made or required to be made.

9 LIABILITY AND INDEMNITY

- (A) Nothing in this Agreement shall exclude or limit any statutory rights which cannot be legally excluded or limited.
- (B) Anadarko releases and shall indemnify each Operator, GNPC, Sabre, EO, its and their Affiliates, and its and their directors, officers and employees (collectively, the "Indemnitees") from any and all costs, expenses (including reasonable legal fees) and liabilities incident to claims, demands, or causes of action of every kind and character, brought by any person or entity, for injury to, illness or death of any Anadarko Personnel, or any other employee of Anadarko or its subcontractors, or for damage to or loss of the property of Anadarko, its Affiliates, its and their subcontractors or any Anadarko Personnel, which injury, illness, death, damage or loss arises out of or is incident to the performance of (or the failure to perform) this Agreement. Anadarko shall fully defend the Indemnitees against any such claims, demands or actions at Anadarko's sole expense, even if the same are groundless. This indemnity obligation shall apply regardless of the cause of such injury, illness, death, damage, or loss even though caused in whole or in part by a pre-existing defect, Indemnitees' sole or concurrent negligence (either active or passive) or strict liability, or other legal fault of Indemnitees, excluding, however, any costs, expenses and liabilities proximately caused by the Gross Negligence/Wilful Misconduct of any Indemnitee.
- (C) Anadarko releases and shall indemnify each Indemnitee from any and all costs, expenses (including reasonable legal fees) and liabilities incident to claims, demands, or causes of action of every kind and character, resulting from allegations that any materials, equipment or item furnished by Anadarko, its Affiliates, its and their subcontractors or any Anadarko Personnel, or any part thereof, any use of such materials, equipment, item or part, or any work or services performed by Anadarko, its Affiliates, its and their subcontractors or any Anadarko Personnel, constitutes an infringement of any patent, copyright or trademark or application therefor, or other Intellectual Property. If Anadarko, its Affiliates, its and their subcontractors or any Anadarko Personnel, are enjoined from using any materials, equipment, item or part thereof or from performing any work or service, Anadarko shall, at its own expense, (i) procure the right to use such materials, equipment, item or part

JFA
P.S.
ADM
VB

or perform the work or service, (ii) substitute non-infringing materials, equipment, item, parts, work or service or (iii) modify the materials, equipment, item, parts, work or service to make it non-infringing.

- (D) Except as provided in Articles 9(B) and 9(C) above, neither Anadarko nor its Affiliates and its and their directors, officers and employees (collectively, "Anadarko Indemnitees") shall have any liability to either Operator, GNPC, Sabre or EO under this Agreement (except in the case of Anadarko WCTP in respect of its Unit Interest share of any Loss incurred for the Unit Account) for any Loss resulting from performing (or failure to perform) the Technical Services (whether for breach of contract, tort (including negligence), breach of statute or otherwise) except to the extent that any Loss arises from Gross Negligence /Wilful Misconduct of any such Anadarko Indemnitee.

"Losses" means all losses (including loss of production), liabilities, damages, costs (including legal costs and expert's and consultant's fees), charges, expenses, actions, proceedings, claims and demands and "Loss" shall mean any one of them.

"Gross Negligence/Wilful Misconduct" means any act or failure to act (whether sole, joint or concurrent) by any person or entity which was intended to cause, or which was in reckless disregard of or wanton indifference to, harmful consequences such person or entity knew, or should have known, such act or failure would have on the safety or property of another person or entity.

- (E) Except as provided in Articles 9(B) and 9(C) above, each Operator releases and shall indemnify each Anadarko Indemnitee, against any and all costs, expenses (including reasonable legal fees) and liabilities incident to claims, demands, or causes of action of every kind and character brought or instituted against such Anadarko Indemnitee by any third party in connection with, related to, or arising out of the performance (or failure to perform) the Technical Services. Each Operator shall fully defend each Anadarko Indemnitee against any such claims, demands or actions even if the same are groundless. This indemnity obligation shall apply regardless of the cause of such injury, illness, death, damage, or loss even though caused in whole or in part by a pre-existing defect, Anadarko Indemnitees' sole or concurrent negligence (either active or passive) or strict liability, or other legal fault of Anadarko Indemnitees, excluding, however, any costs, expenses and liabilities proximately caused by the Gross Negligence/Wilful Misconduct of such Anadarko Indemnitee.
- (F) For the avoidance of doubt, any indemnity given by an Operator under this Article 9 shall be for the Unit Account.
- (G) In no event shall either Operator, Anadarko, GNPC, Sabre or EO (except in the case of each such Party in respect of its Unit Interest share of any such damage or loss incurred for the Unit Account) or any of their Affiliates be held liable for any indirect, special, punitive, consequential or environmental damages or losses arising out of, or relating to, the performance or non performance of or subject matter of this Agreement, (including, without limitation, loss of production, loss of revenue, business interruption, loss of profits, loss of use or loss of business opportunity) howsoever caused and whether or not foreseeable at the Effective Date.
- (H) During the term of this Agreement, Anadarko shall carry, and maintain at its expense, insurance of the type, and with such liability limits, as may be required by law or Good Industry Practice with respect to Anadarko Personnel providing Technical Services except that, in such circumstances where Anadarko Personnel are performing Technical Services within the premises of an Operator or the Unit Account facilities, such Operator shall ensure that any insurance obtained in relation to the conduct of operations under the UUOA shall extend to the benefit of Anadarko and Anadarko

JVA
P.S.
AM
KB

Personnel. The insurance obtained by Anadarko under this Article 9 (H) shall contain a waiver of subrogation in favour of each Operator, GNPC, Sabre and EO and their insurers but only with respect to their interest under this Agreement.

10 CONFIDENTIALITY

- (A) The Parties hereby agree that the provisions of Clause 17 of the UUOA shall apply mutatis mutandis with respect to the Parties' confidentiality undertakings related to all data and information related to the operations under the UUOA and this Agreement.
- (B) With respect to information that is not covered by the provisions of Article 10(A) above, that is disclosed by an Operator to Anadarko and to Anadarko Personnel as a consequence of performing Technical Services and that is not publicly available, Anadarko shall maintain such information as confidential unless otherwise required by the applicable law or regulation or pursuant to any legal proceedings or because of any order of any court binding upon a Party; provided that, where reasonably possible, prior to any such disclosure Anadarko provides reasonable advance written notice of the disclosure and the legal reasons for such disclosure to the Operator. Anadarko shall cause its Affiliates and Anadarko Personnel to comply with these same restrictions.

11 NON SOLICITATION OF ANADARKO PERSONNEL

Without the prior written consent of Anadarko, neither Operator shall offer employment, employ or seek to hire (other than by way of general public solicitations) from Anadarko Personnel any employee, consultant or other person involved in the provision of the Technical Services. The non-solicitation restriction set out in this Article 11 shall be valid for a period of twelve (12) months following the expiry or termination of the provision of Technical Services by such Anadarko Personnel to such Operator.

12 INTELLECTUAL PROPERTY

Nothing in this Agreement confers on a Party any right, title or interest in or to any Intellectual Property belonging to any other Party which is supplied or otherwise furnished to it in connection with this Agreement. "Intellectual Property" means any right in patents, trade marks, signs, designs, trade or business names, domain names, get-up, logos, inventions, copyrights (including rights in computer software), database rights and topography rights (whether or not any of these is registered and including applications for registrations of any such thing) and all trade secrets and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of those which may subsist anywhere in the world.

13 ASSIGNMENT

- (A) Neither Operator shall assign or otherwise transfer all or any part of this Agreement without the prior written consent of Anadarko, provided that such Operator shall be entitled to assign this Agreement without consent of Anadarko to any Affiliate of such Operator to whom such Operator concurrently assigns its rights and obligations under the UUOA in accordance with Clause 7.11 thereof.
- (B) Anadarko shall not assign or otherwise transfer all or any part of this Agreement without the prior written consent of Operators, provided that Anadarko shall be entitled to assign this Agreement without consent of either Operator to any Affiliate of Anadarko.
- (C) Any purported assignment in contravention of this Article 13 shall be void.

JA
AM
P.S.
B

14 TERMINATION

- (A) This Agreement shall come into full force and effect on and from the Effective Date and, unless it is terminated in accordance with this Article 14 or otherwise agreed by the Parties, shall terminate upon the Parties' mutual agreement in writing.
- (B) This Agreement may at any time be terminated on the occurrence of any of the following events:
- 1) if either Operator commits a material breach of any of its obligations hereunder or of any of the provisions hereof and fails to remedy the same within thirty (30) days of being given a written notice to do so, unless otherwise agreed between the other Operator that is not in material breach and Anadarko, such other Operator or Anadarko may terminate this Agreement by notice to the other Parties;
 - 2) if Anadarko commits a material breach of any of its obligations hereunder or of any of the provisions hereof and fails to remedy the same within thirty (30) days of being given written notice to do so, either Operator may terminate this Agreement by notice to the other Parties;
 - 3) if there is a change in legislative or fiscal regime, or in the manner in which any Governmental Authority or court interprets such regimes, which in the reasonable opinion of any Party would have a material adverse effect on such Party if performance is continued, such Party may terminate this Agreement by notice to the other Parties with immediate effect;
 - 4) if either Operator becomes insolvent, unless the non-insolvent Operator and Anadarko agree otherwise, such non-insolvent Operator or Anadarko may terminate this Agreement by notice to the other Parties with immediate effect; or
 - 5) if Anadarko becomes insolvent, either Operator may terminate this Agreement by notice to the other Parties with immediate effect.
- (C) Unless otherwise agreed to by the Parties, where an Operator ceases to be the Operator under the UUOA, unless such Operator assigns its respective rights and obligations as Operator to one of its Affiliates as provided for under Article 13 of this Agreement, this Agreement shall terminate on the date on which such Operator ceases to be the Operator under the UUOA.
- (D) Where Anadarko WCTP ceases to hold any interest under the UUOA, Anadarko may terminate this Agreement by giving at least sixty (60) days notice to both Operators.
- (E) Where Anadarko ceases to be an Affiliate of Anadarko WCTP, Anadarko may terminate this Agreement by giving at least sixty (60) days notice to both Operators.
- (F) A Party's right to terminate a Service Order shall be in accordance with the provisions set out in Article 3 of this Agreement. Subject to the payment provisions set out in Article 3(L) and the provisions of Article 14(G) and Article 14(II), all Service Orders agreed and entered into under this Agreement shall terminate on the date on which this Agreement is terminated.
- (G) Expiry or termination of this Agreement and/or of an agreed Service Order (as the case may be) shall not affect the provisions of Article 4 (Invoices and Payment) with respect to previously accrued amounts only, Article 7 (Records and Documentation of Actual Cost), Article 8 (Taxes), Article 9

JFA
AM
AS
B

(Liability and Indemnity), Article 10 (Confidentiality), Article 11 (Non-Solicitation of Anadarko Personnel), Article 16 (Costs of Negotiation), or Article 17 (Miscellaneous).

- (H) Expiry or termination of this Agreement and/or of an agreed Service Order shall be without prejudice to any claim that any Party may have against the other arising out of this Agreement prior to such expiry.

15 CONFLICT WITH UUOA

In the event of any conflict between this Agreement and the UUOA, this Agreement shall prevail to the extent of such conflict.

16 COSTS OF NEGOTIATION

All costs incurred by any Party arising out of the negotiation, preparation and execution of this Agreement shall be borne by each such Party and, for the avoidance of doubt, shall not be charged to the Unit Account under the UUOA or as Anadarko Costs under this Agreement.

17 MISCELLANEOUS

- (A) Each Party warrants and represents to the other Parties that it has the authority, power and capacity to enter into this Agreement and that all necessary corporate actions have been taken to authorise its execution of and the carrying out of its obligations under this Agreement.
- (B) The rights, duties, obligations and liabilities of the Parties under this Agreement shall be individual, not joint or collective. It is not the intention of the Parties to create, nor shall this Agreement be deemed or construed to create, a mining or other partnership, joint venture or association or (except as explicitly provided in this Agreement) a trust. This Agreement shall not be deemed or construed to authorize any Party to act as an agent, servant or employee for any other Party for any purpose whatsoever except as explicitly set forth in this Agreement. In their relations with each other under this Agreement, the Parties shall not be considered fiduciaries except as expressly provided in this Agreement.
- (C) This Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of the Parties.
- (D) No waiver by any Party of any one or more defaults by another Party in the performance of this Agreement shall operate or be construed as a waiver of any future default or defaults by the same Party, whether of a like or of a different character. Except as 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.
- (E) There shall be no modification of this Agreement except by written consent of all Parties.
- (F) This Agreement may be executed in any number of original counterparts and each such counterpart shall be deemed an original Agreement for all purposes; provided no Party shall be bound to this Agreement unless and until all Parties have executed a counterpart. For purposes of assembling all counterparts into one document, any Party is authorized to detach the signature page from one or more counterparts and, after signature thereof by the respective Party, attach each signature page to a counterpart.

JFA
P.S.
AM

3

- (G) This Agreement together with the UUOA is the entire agreement of the Parties with respect to the subject matter contained herein and supersedes all prior understandings and negotiations of the Parties with respect to the matters covered in this Agreement.
- (H) If any provision of this Agreement is held to be invalid or unenforceable, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in this Agreement, but without invalidating any of the remaining provisions of this Agreement. The Parties shall then use all reasonable endeavours to replace the invalid or unenforceable provisions by a valid and enforceable substitute provision the effect of which is as close as possible to the intended effect of the invalid or unenforceable provision.
- (I) The Contracts (Rights of Third Parties) Act 1999 (the "Act") shall only apply in respect of any relief from liability, hold harmless, indemnity or benefit expressly granted to the Indemnitees and Anadarko Indemnitees under Article 9 and, without prejudice to such Article, no third party shall otherwise have any right pursuant to the Act to enforce any terms of this Agreement. The consent of a third party shall not be necessary for any amendment, rescission, variation (including any release or compromise in whole or part of any liability), novation or termination of this Agreement.
- (J) This Agreement shall be governed by, construed, interpreted and applied in accordance with the laws of England and Wales, excluding any choice of law rules which would refer the matter to the laws of another jurisdiction.
- (K) Any dispute, controversy or claim arising out of or in relation to or in connection with this Agreement or the operations carried out under this Agreement including without limitation any dispute as to the construction, validity, interpretation, enforceability or breach of this Agreement, shall be exclusively and finally settled as between the Parties by arbitration in accordance with Clause 20 of the UUOA.
- (L) Except as otherwise specifically provided, 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 addressed to such Parties as designated below. Oral communication and any written communication by electronic means (including e-mails) does not constitute notice for purposes of this Agreement, and telephone numbers for the Parties are listed below as a matter of convenience only. The originating 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. The second or any responsive notice shall be deemed delivered when received. "Received" for purposes of this Article shall mean actual delivery of the notice to the address of the Party to be notified specified in accordance with this Article. 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 at another address, by giving written notice thereof to all other Parties.

Kosmos

c/o Kosmos Energy LLC
 8176 Park Lane
 Suite 500
 Dallas, Texas 75231
 USA
 Attention: Mr. J Matthews, VP & License

Copy to: Kosmos Energy Ghana IIC
 Kosmos Energy Ghana HC
 Suite 409, Century Yard
 Cricket Square
 Elgin Avenue
 George Town
 Grand Cayman KY1-1209
 CAYMAN ISLANDS

Handwritten initials and signatures: JWA, P.S., AM, and a signature.

Manager
Fax: +1 214 445 9705
Email: jmatthews@Kosmosenergy.com
Telephone: +1 214 445 9709

Attention: Mr. Andrew Johnson
Fax: +1 345 946 4090

Tullow
Del Mina Place
Orphan Crescent
Labone
Osu Accra, Ghana
Attention: President and General Manager,
Tullow Ghana
Fax: +233 21 768121
Email: dai.jones@tullowoil.com
Telephone: +233 21 763 600

Copy to: General Counsel, Tullow Oil
plc
Fax: +44 208 994 5332
Email: graham.martin@tullowoil.com
Telephone: +44 208 996 1000

Anadarko
Anadarko Petroleum Corporation
1201 Lake Robbins Drive
The Woodlands, Texas 77380 USA
Attention: Manager, Int'l Negotiations
Fax: +1 832 636-9800

Copy to: Anadarko WCTP Company
1201 Lake Robbins Drive
The Woodlands, Texas 77380 USA
Attention: Phil Bode
Fax: +1 832 636-8023

PS
JJA
AM
[Signature]

AS WITNESS this Agreement has been signed on behalf of the Parties on the day and year first above written:

Duly authorized signatory for and on behalf of Kosmos Energy Ghana HC

By: _____

Name: _____

Date: _____

Duly authorized signatory for and on behalf of Tullow Ghana Limited

By: _____

Name: _____

Title: _____

Date: _____

Duly authorized signatory for and on behalf of Anadarko Petroleum Corporation

By: _____

Name: _____

Title: _____

Date: _____

JTA
AM
I.S.
[Signature]

**APPENDIX A
TECHNICAL SERVICES AND
ANADARKO PERSONNEL
Anadarko Personnel Providing Services to Operator
for year 2009**

No.	POSITION/TITLE	Anadarko Personnel	HOURLY RATE (US Dollars)
I. FINANCIAL SERVICES			
1	Manager, Accounting		\$222
2	Assistant Treasurer		\$284
3	Intl Cash Management Supr		\$169
4	Manager, Business Planning		\$222
5	Sr Staff Financial Analyst		\$169
6	Manager, Tax		\$222
7	Finance Manager		\$222
II. GENERAL ADMINISTRATION SERVICES			
1	Sr Staff Supply Chain Representative		\$169
2	Advisor, Supply Chain		\$222
3	Contractor, Business Services		ACTUAL COST
III. OPERATIONS SERVICES			
1	Vice President, Worldwide Projects		\$494
2	Director, Geology		\$425
3	Director, Geophysics		\$425
4	Director, Operations		\$425
5	Director, Petrophysics Technology		\$328
6	Director, RCT & Peer Assist		\$328
7	Director, Resv Characterization		\$425
8	Field Services Advisor		\$222
9	Manager, Completions		\$328
10	Manager, Drilling		\$328
11	Manager, Drilling & Completions		\$425
12	Manager, Environmental Health and Safety		\$222
13	EHS Analyst		\$122
14	Manager, Marine and Facilities Tech		\$328
15	Manager, Reservoir Engineering		\$328
16	Manager Project Services		\$328
17	Area Project Services		\$244

JDA
P.S. *[Handwritten initials]*
AM
[Handwritten signature]

	Advisor		
18	Sr ITS Administrator		\$169
19	Project Manager		\$328
20	Project Advisor		\$278
21	Advisor, Project Construction Engineering		\$328
22	Project Drilling Engr Advisor		\$328
23	Project Geological Advisor		\$328
24	Project Geophysical Advisor		\$328
25	Project Petrophysical Advisor		\$328
26	Project Resv Engr Advisor		\$328
27	Sr Geological Advisor		\$328
28	Sr Geophysical Advisor		\$328
29	Sr Resv Engineering Advisor		\$328
30	Sr Staff Drilling Engineer		\$231
31	Sr Staff Geologist		\$231
32	Sr Staff Reservoir Engineer		\$231
33	Sr Staff Facilities Engineer		\$231
34	Senior Geophysicist		\$172
35	Contractor, Environmental, Health and Safety		ACTUAL COST
36	Senior Construction Superintendent		\$222
37	Area Project Services Advisor		\$284
38	Project Production Chemistry Advisor		\$328
39	Senior Captain		\$222
40	Senior Aviation Technician		\$138
IV. LEGAL AND COMMERCIAL SERVICES			
1	Manager, International Commercial Development		\$284
2	Manager, International Gas Business Development		\$328
3	Sr Project Advisor, International Negotiations		\$328
4	Manager, Commercial		\$328
5	Sr Counsel		\$284

JWA
 P.S. ~~AM~~
 AM
 13

APPENDIX B

SERVICE ORDER
FORM

dated [] 20[]

under

Technical Services and Cost Reimbursement Agreement
with respect to
Unitization and Unit Operating Agreement Services and Costs

This Service Order ___ dated ___ [] 20[], is issued in accordance with the agreement titled Technical Services and Cost Reimbursement Agreement with respect to Unitization and Unit Operating Agreement Services and Costs dated ___ [] 2009 by and among Tullow Ghana Limited, Kosmos Energy Ghana HC and Anadarko Petroleum Corporation (collectively, the "Parties") (the "Master TSA"). The Parties agree to abide by the terms and conditions of the Master TSA as well as this Service Order. The terms of this Service Order shall control over any conflicting terms in the Master TSA or any other Service Order for the purposes of this Service Order only.

A. Description of Technical Services

Any capitalized terms not specifically defined herein shall have the meaning set out in the Master TSA.

Anadarko shall provide the following Technical Services on a full-time and part-time basis (based on an Hourly Rate) to _____ as _____ Operator in order to support such Operator in all areas related to Unit Operations to be carried out under the UUOA:

	Technical Service	Duration
1.	Data analysis	
2.	Geological & geophysical studies and assessments	
3.	Petroleum engineering	
4.	Reservoir engineering	
5.	Field and production management	
6.	International marketing of crude oil and sales	
7.	E&P operations finance, planning	
8.	Tax and legal	
9.	Information systems; and	
10.	Human resources.	

509
P.S. ~~BN~~ AM
X

B. Term of the Service Order

Services to be provided from _____ through to _____; unless otherwise amended or terminated in accordance with the terms of the Master TSA.

C. Personnel Providing Services

No.	POSITION/TITLE	Anadarko Personnel	HOURLY RATE (US Dollars)
I. FINANCIAL SERVICES			
1	Manager, Accounting		\$222
2	Assistant Treasurer		\$284
3	Intl Cash Management Supr		\$169
4	Manager, Business Planning		\$222
5	Sr Staff Financial Analyst		\$169
6	Manager, Tax		\$222
7	Finance Manager		\$222
II. GENERAL ADMINISTRATION SERVICES			
1	Sr Staff Supply Chain Representative		\$169
2	Advisor, Supply Chain		\$222
3	Contractor, Business Services		ACTUAL COST
III. OPERATIONS SERVICES			
1	Vice President, Worldwide Projects		\$494
2	Director, Geology		\$425
3	Director, Geophysics		\$425
4	Director, Operations		\$425
5	Director, Petrophysics Technology		\$328
6	Director, RCT & Peer Assist		\$328
7	Director, Resv Characterization		\$425
8	Field Services Advisor		\$222
9	Manager, Completions		\$328
10	Manager, Drilling		\$328
11	Manager, Drilling & Completions		\$425
12	Manager, Environmental Health and Safety		\$222
13	EHS Analyst		\$122
14	Manager, Marine and Facilities Tech		\$328
15	Manager, Reservoir Engineering		\$328
16	Manager Project Services		\$328
17	Area Project Services		\$244

JJA
 P.L. BNU
 AM
 JB

	Advisor		
18	Sr ITS Administrator		\$169
19	Project Manager		\$328
20	Project Advisor		\$278
21	Advisor, Project Construction Engineering		\$328
22	Project Drilling Engr Advisor		\$328
23	Project Geological Advisor		\$328
24	Project Geophysical Advisor		\$328
25	Project Petrophysical Advisor		\$328
26	Project Resv Engr Advisor		\$328
27	Sr Geological Advisor		\$328
28	Sr Geophysical Advisor		\$328
29	Sr Resv Engineering Advisor		\$328
30	Sr Staff Drilling Engineer		\$231
31	Sr Staff Geologist		\$231
32	Sr Staff Reservoir Engineer		\$231
33	Sr Staff Facilities Engineer		\$231
34	Senior Geophysicist		\$172
35	Contractor, Environmental, Health and Safety		ACTUAL COST
36	Senior Construction Superintendent		\$222
37	Area Project Services Advisor		\$284
38	Project Production Chemistry Advisor		\$328
39	Senior Captain		\$222
40	Senior Aviation Technician		\$138
IV. LEGAL AND COMMERCIAL SERVICES			
1	Manager, International Commercial Development		\$284
2	Manager, International Gas Business Development		\$328
3	Sr Project Advisor, International Negotiations		\$328
4	Manager, Commercial		\$328
5	Sr Counsel		\$284

JPA
M. B. W.
AM
B

D. Third Party Engagement

There have been no third party engagements that have been requested by Operator.

The parties have executed this Service Order, in duplicate, as of the date first written above as evidenced by the following signatures

By: _____
Name: _____
Title: _____
Date: _____

Anadarko Petroleum Corporation
By: _____
Name: _____
Title: _____
Date: _____

JTA
P. J. [Signature]
AM
[Signature]


ATTACHED TO AND MADE PART OF THE UNITIZATION AND UNIT OPERATING AGREEMENT BY AND BETWEEN GHANA NATIONAL PETROLEUM CORPORATION, TULLOW GHANA LIMITED, KOSMOS ENERGY GHANA HC, ANADARKO WCTP COMPANY, SABRE OIL & GAS HOLDINGS LIMITED, AND EO GROUP LIMITED
(THE "AGREEMENT")

EXHIBIT "T"

PART 1

IPT TECHNICAL OPERATIONS CONTRACT PROCEDURE

P.S. JAA
AM B

	Jubilee Field Unit	
---	---------------------------	--

**The Republic of Ghana
Jubilee Field Unit**

Integrated Project Team

**Contracting & Procurement Policy and
Procedure**

3/24
p.s. [Handwritten initials]



Jubilee Field Unit

CONTENTS

1	PURPOSE AND DEFINITIONS.....	1
2	SCOPE OF POLICY AND PROCEDURE	1
2.1	AUTHORIZATION OF CONTRACTING AND PROCUREMENT POLICY AND PROCEDURE	1
2.1.1	<i>Prior to Effective Date of the UUOA (the "Interim Period")</i>	1
2.1.2	<i>After the Effective Date of the UUOA</i>	1
3	RESPONSIBILITIES OF IPT DIRECTOR, IPT BUSINESS SERVICES DIRECTOR AND AREA MANAGERS.....	2
4	COMPLIANCE WITH COMPETITION RULES AND APPLICABLE LAWS	2
5	DELEGATION OF AUTHORITY (DOA).....	2
6	AUTHORIZATION FOR EXPENDITURE (AFE) PROCEDURE.....	2
6.1	PREPARATION AND APPROVAL	2
6.1.1	<i>Work Included in approved Work Program and Budget</i>	2
6.1.2	<i>Overexpenditures</i>	3
6.1.3	<i>Work NOT included in approved Work Program and Budget</i>	3
6.2	WORK PROGRAM AND BUDGETS	3
6.2.1	<i>Pre-UUOA Work Program and Budget</i>	3
6.2.2	<i>UUOA Work Program and Budget</i>	3
6.2.3	<i>Drilling and Well Completion AFE's</i>	3
6.3	AFE, INVOICE AND EXPENDITURE APPROVAL AUTHORITIES	4
7	CONTRACTING AND PROCUREMENT PROCESS DESCRIPTION	4
7.1	POSSIBLE CONFLICT OF INTEREST	4
7.1.1	<i>Segregation of Duties, Review and Approval of Documents</i>	4
7.1.2	<i>Deputies</i>	5
7.1.3	<i>Authority to Procure and Award Contracts and Purchase Orders</i>	5
7.2	THE CONTRACTING AND PROCUREMENT PROCESS	6
7.2.1	<i>Contracting and Procurement Strategies and Plans</i>	6
7.2.2	<i>Tender Lists</i>	6
7.2.3	<i>Preparing Invitations To Tender Documents</i>	6
7.2.4	<i>The Tender Process</i>	7
7.2.5	<i>Evaluation</i>	7
7.2.6	<i>Receiving And Opening Tenders</i>	7
7.2.7	<i>Preliminary Evaluation Report</i>	8
7.2.8	<i>Final Evaluation Report</i>	8
7.2.9	<i>Entering into an Agreement with an External Contractor/Supplier</i>	8
7.2.10	<i>Unsuccessful Tenders</i>	8
7.2.11	<i>Contract/Purchase Order Amendments and Variation Orders</i>	8
7.2.12	<i>Company Representative</i>	9
7.2.13	<i>Progress and Quality Plans</i>	9
7.2.14	<i>Contract Close Out</i>	9
8	SOLE SOURCE (NO TENDER) AND AFFILIATE CONTRACTS/PURCHASE ORDERS.....	10


JSA
0-1
AM
B



Jubilee Field Unit

8.1	SOLE SOURCE CONTRACTS	10
8.1.1	<i>Sole Source Contracts for Purchasing with value up to \$1,000,000</i>	10
8.1.2	<i>Sole Source Contracts with value greater than \$1,000,000</i>	10
8.2	AFFILIATE CONTRACTS	10
8.2.1	<i>Procurement from and Contracting with Affiliates (Affiliates as Supplier/Contractor)</i>	10
9	JUBILEE CONTRACTS COMMITTEE (JCC)	11
10	CONTRACT OR PURCHASE ORDER SIGNATURE	11
11	AMENDMENT AND TERMINATION	11
12	REFERENCES	11
	APPENDIX 1 - IPT AWARD OF NON-AFFILIATE TENDERED CONTRACTS / PURCHASE ORDERS > \$25,000,000 ("MAJOR CONTRACTS")	App 1
	APPENDIX 2 - IPT AFE FORM	App 2
	APPENDIX 3 - IPT DECLARATION OF POSSIBLE CONFLICT OF INTEREST	App 3
	EXHIBIT A - GHANA JUBILEE FIELD UNIT, INTEGRATED PROJECT TEAM DELEGATION OF AUTHORITY	Ex A-1

JGA
P.S. *[Handwritten initials]*
BM
B

	Jubilee Field Unit	Page 1
---	---------------------------	---------------

1 PURPOSE AND DEFINITIONS

This document defines the requirements and guidelines for contracting and procurement activities for the Jubilee Field Unit (the "Project") Integrated Project Team ("IPT") with respect to operations to be carried out by the Technical Operator and/or the Unit Operator designated under the PUA and the UUOJA, as applicable.

Defined terms in this document shall have the same meaning as in the Unitization and Unit Operating Agreement to be entered into among Ghana National Petroleum Corporation ("GNPC"), Tullow Ghana Limited ("Tullow"), Kosmos Energy Ghana HC ("Kosmos"), Anadarko WCTP Company ("Anadarko"), Sabre Oil and Gas Holdings Limited ("Sabre") and EO Group Limited ("EO") ("UUOJA").

2 SCOPE OF POLICY AND PROCEDURE

This policy and procedure applies to all personnel involved in contracting and procurement processes in the IPT.

2.1 Authorization of Contracting and Procurement Policy and Procedure

2.1.1 Prior to Effective Date of the UUOJA (the "Interim Period")

The Pre-Unitization Agreement dated February 22, 2008 was entered into by and between Tullow, Kosmos, Anadarko, EO and Sabre with respect to the Unit Area ("PUA"). The Joint Operating Committee ("JOC"), established pursuant to the PUA, has the authority to approve the Jubilee Field Unit IPT Contracting and Procurement Policy and Procedure. For the period between the date hereof and the Effective Date of the UUOJA (the "Interim Period"), only the JOC may authorize any deviations to this policy and procedure, subject in all cases to the applicable provisions set forth in the PUA.

In this document, wherever the term UOC is used, it is deemed to refer to the JOC for the Interim Period. Similarly, wherever the term UUOJA is used, it is deemed to refer to the PUA for the Interim Period.

2.1.2 After the Effective Date of the UUOJA

From and after the Effective Date of the UUOJA, the Unit Operating Committee ("UOC") established pursuant to the UUOJA has the authority to approve any deviations to this policy and procedure, subject in all cases to the applicable provisions on contracting and procurement set forth in the UUOJA.

For the avoidance of doubt, in the event of a conflict between this document and the UUOJA, the terms of the UUOJA shall control.

JFA
R.S.
JFA
JFA



3 RESPONSIBILITIES OF IPT DIRECTOR, IPT BUSINESS SERVICES DIRECTOR AND AREA MANAGERS

Kosmos (the "IPT Technical Operator") has appointed an IPT Director who is responsible for contracting and procurement for the IPT.

The IPT Director has, in turn, appointed "Area Managers" to assist in the contracting and procurement activities. The authorities of such Area Managers, which derive from the IPT Director, are set forth in the Ghana Jubilee Field Unit, Integrated Project Team, Delegation of Authority (the "IPT DOA") attached hereto as Exhibit A.

4 COMPLIANCE WITH COMPETITION RULES AND APPLICABLE LAWS

Contracting and procurement activities shall be conducted in an objective and ethical manner. Objective and competitive contracting, procurement and accepted negotiation practices shall be used to achieve fair and competitive prices, terms, and conditions. Each IPT member who has been delegated authority has the responsibility to ensure that all contracts and procurements are made in accordance with established standards, applicable laws and the requirements of the Tano Contract and the WCTP Contract, in particular, without limitation, the local content requirements.

Subject to the single source exceptions and approved contracts with Affiliates as set out herein, all contract and procurement shall be based on competitive bidding, whenever practical, and equal opportunities for bidding shall be provided for relevant suppliers.

5 DELEGATION OF AUTHORITY (DOA)

All contracting and procurement activities shall be executed within appropriate Delegation of Authority levels as outlined in the IPT DOA, attached hereto as Exhibit A.

6 AUTHORIZATION FOR EXPENDITURE (AFE) PROCEDURE

6.1 Preparation and Approval

6.1.1 Work Included in approved Work Program and Budget

An Authorization for Expenditure (AFE) will be prepared by the IPT and forwarded to the UOC, via the UO Finance Manager, for approval for all work with a total value exceeding \$1,000,000 USD.

Each AFE proposed shall:

- identify the operation by specific reference to the applicable line items in the approved Work Program and Budget;
- describe the work in detail;
- contain the Unit Operator's or Technical Operator's, as applicable, best estimate of the total funds required to carry out such work;
- outline the proposed work schedule;
- provide a timetable of expenditures, if known; and

JFA
P.S. AM



- be accompanied by such other supporting information as is necessary for an informed decision

All requisitions will be recorded on the IPT Contract Register, which will be updated at least once per month.

6.1.2 Overexpenditures

Overexpenditures with respect to work included in an approved Work Program and Budget are subject to the provisions of the UUOA.

6.1.3 Work NOT included in approved Work Program and Budget

If the work in question is not included in an approved Work Program and Budget, then the IPT must submit the AFE to the UOC, via the UO Finance Manager, for approval prior to, or with the submission of the relevant contract or purchase order, regardless of the amount in question. (Ref. Appendix 2, AFE form).

6.2 Work Program and Budgets

6.2.1 Pre-UUOA Work Program and Budget

Pursuant to the PUA, the JOC has approved an AFE that provides capital funding to facilitate the early and orderly commencement of development plans during the Interim Period prior to the approval of the Technical Operations Work Program and Budget under the UUOA. The PUA AFE provides capital funds for: 1.) the formation of the IPT and work carried out by the IPT, 2.) engineering design studies, 3.) the acquisition of long lead items, 4.) preliminary activities related to the construction, fabrication, or installation of the development concept, and 5.) any other activity or operation, excluding development drilling, necessary to assist the IPT in supporting the IPT Technical Operator in the preparation and completion of the Plan of Development (POD) required to be submitted for approval in connection with the UUOA.

6.2.2 UUOA Work Program and Budget

It is intended that the UOC will approve a UUOA Work Program, Budget, and a single Fabrication AFE that will provide capital funding for the continuation of detailed design procurement, fabrication, construction, installation, hook-up and commissioning activities during Project execution. This Fabrication AFE shall consist of separate cost estimates for each major component or other acquisitions of development systems identified in the Plan of Development. Charges against the Fabrication AFE shall not start until after Project sanctioning and will continue until all facilities are installed and commissioned.

6.2.3 Drilling and Well Completion AFE's

The IPT will be responsible for the development of the well engineering (drilling+completion) project cost estimate for each phase of the development, in conjunction with detail budget estimates provided by the Unit Operator who is responsible for the actual Well Engineering program execution. The Unit Operator Well Engineering execution team is also responsible for the contract, procurement and supply of equipment to satisfy the detail well design

JFA
P.S.
BM
KS



requirements stated in the Plan of Development and if necessary, modified thereafter by agreement between the IPT and the Unit Operator. The Unit Operator procures these materials for well work using its own Contracts and Procurement procedures. It follows that the subsequent issue of Well Engineering AFE's requires co-operative working given the split of responsibilities as defined in the PUA and that the AFE's will draw down on the project well engineering budget, in an agreed manner, between the IPT and the Unit Operator Well Engineering Execution Team.

Drilling AFE's will provide capital funding for drilling Appraisal / Development Wells to the objective depth. A new Drilling AFE will be developed for each new Well drilled (or batch of wells) but a supplement to an existing AFE can be used for sidetracks. A Drilling AFE will not provide funds for Well Completion; therefore, new AFE's will be required for each Well Completion, or batch of completions. In the event a Well is abandoned, a new AFE will be required to fund a substitute well. Well Engineering AFE's will be issued by the Unit Operator Well Engineering Execution Team, then counter-signed by the IPT Director or delegate, before then being issued for approval to the JOC/UOC by the Unit Operator Finance Manager.

6.3 AFE, Invoice and Expenditure Approval Authorities

All AFE, invoice and expenditure activities associated with contracting and procurement activities shall be executed within appropriate delegation of authority levels as outlined in the IPT DOA.

7 CONTRACTING AND PROCUREMENT PROCESS DESCRIPTION

7.1 Possible Conflict Of Interest

Any person involved in the procurement process shall declare in writing, on the form in Appendix 3 hereto, any possible circumstance that could lead to conflict of interest as soon as he/she becomes aware of it.

In all agreements where a contractor or supplier shall perform procurement activities on behalf of the IPT Technical Operator, the contractor or supplier is required to inform the IPT Technical Operator in advance of any possible conflict of interest situation. The rules stated above shall apply accordingly.

7.1.1 Segregation of Duties, Review and Approval of Documents

Adequate segregation of duties and control responsibilities shall be established and maintained in all functional areas of the contracting and procurement process.

Agreement processing and invoice posting responsibilities shall always be separated to ensure independent review and evaluation of the process.

Where adequate segregation cannot be achieved, other compensating controls must be established and documented.

Contracting and procurement activities shall be organized to comply with the segregation of duties principle. This means that at least two independent, qualified persons in the

JA
RS
AM
YS



organization shall take part in the decision making process in dealing with the individual decisions relating to contracting and procurement and in the relationship with suppliers.

7.1.2 Deputies

If the authorized person is not available to approve or sign a document, a permanent or temporary deputy may carry out this function. If there is no deputy or appointed substitute available, a manager at a similar or higher level may give their approval/signature.

7.1.3 Authority to Procure and Award Contracts and Purchase Orders

The IPT will undertake contracting and procurement activities, including submitting contracts and purchase orders for approval, in accordance with the following tender and approval requirements:

**Summary
Tender and Approval Requirements to Award
Non-Affiliate and Affiliate Contracts and Purchase Orders ("POs")
(All amounts are USD)**

	Non-Affiliate			Affiliate	
	Sole Source Contracts/POs	Tender Contracts/POs	Major Tender Contracts/POs	Affiliate Contracts/POs	Large Affiliate Contracts/POs
Tender required?	No tender	Tender	Tender	n/a Affiliate	n/a Affiliate
JCC Review required?	No	No	Yes	No	Yes
Approval level required to award Contracts/POs?	Technical Operator or delegates	Technical Operator or delegates	UOC	Technical Operator or delegates	UOC
Technical Operator/UOC	As per IPT DoA	As per IPT DoA	As per IPT DoA	As per IPT DoA	As per IPT DoA
Contract/PO Value?	0 to \$1,000,000	> \$1,000,000 to \$25,000,000	> \$25,000,000 And Requests for bid waivers for single source contracts/POs > \$1,000,000	0 to \$1,000,000	> \$1,000,000

Prior to presentation to the UOC, Major Contracts and Purchase Orders (>\$25,000,000) shall be reviewed by the Jubilee Contracts Committee ("JCC").

JFA
P.S. ASM YB



The IPT Director is responsible for the quality assurance of each contract presented to the JOC and to ensure that the contracts and purchase orders are presented at the appropriate time.

For the avoidance of doubt, the IPT Delegation of Authority (DoA) document and its approval levels stated therein, and how they may be modified through time, has precedence over levels stated in these procedures.

7.2 The Contracting and Procurement Process

7.2.1 Contracting and Procurement Strategies and Plans

An execution Contracting and Procurement Strategy has been developed for the IPT and approved by the JOC as of the date of this document.

7.2.2 Tender Lists

The IPT Director, together with the relevant IPT Area Managers, are responsible for:

- ensuring that potential suppliers or contractors are qualified and that a financial evaluation has been carried out
- preparing proposed Tender Lists and approval of such

All contracts and purchase orders for amounts greater than \$1,000,000 shall be subject to competition (tender) prior to award of contract, unless the UOC otherwise approves in accordance with the UJOA.

7.2.3 Preparing Invitations To Tender Documents

The requisitioner is responsible for:

- preparing a procurement requisition and ensuring that it is approved
- preparing and coordinating the technical documents
- ensuring that the Governing Authority Regulations are followed (all aspects)
- ensuring that the correct cost center and budget are referred to (if appropriate in collaboration with project management / person responsible for costs)

The IPT Business Services Manager in conjunction with the appropriate IPT member are responsible for:

- checking that the necessary approvals have been given, and if not ensuring that they are
- preparing commercial sections of the documentation
- coordinating the completion of tender documents and ensure that they do not contain contradictory information or wording
- ensuring that authority requirements are followed (commercial considerations)
- ensuring that the correct form of terms and conditions is included
- ensuring that IPT legal representative has signed off on final documents
- ensuring that the same information is sent to all tenderers

Tender documents shall be signed in accordance with the IPT DOA.



7.2.4 The Tender Process

All formal communication with the tenderers shall be in writing (letter or e-mail) and shall be coordinated and sent by the IPT Business Services Manager or delegated commercial responsible person. A written record shall be kept of all such communication. Signed documents can be scanned and issued as attachments to e-mail.

7.2.5 Evaluation

The IPT Business Services Manager is responsible for:

- developing the evaluation criteria which should be reviewed with the JCC before the evaluation process commences
- appointing the evaluation manager in collaboration with the IPT Director
- clarifying the evaluation complexity before the evaluation process starts

The evaluation manager shall ensure that:

- an evaluation team is appointed
- an evaluation plan is developed
- a kick-off meeting is held for information on practical and safety related aspects of the evaluation
- the necessary preparations with respect to the premises used for evaluation are made in good time

7.2.6 Receiving And Opening Tenders

All tenders shall be sent to the address given for the IPT Business Services Manager and shall be labelled with the tender number and the name of the person with responsibility for commercial matters. The tenders shall be kept secure until opening.

Unsolicited tenders shall not be accepted. Tenders which arrive late shall be returned unopened, or alternatively the IPT Business Services Manager may postpone the opening of all tenders.

When the tenders are opened, the tender log shall be signed by the persons present (the evaluation manager, the persons responsible for the commercial and technical aspects)

The commercial person responsible or the evaluation manager shall ensure that:

- the original copies of the tender are kept in a separate archive and that they are not accessible to unauthorized persons
- copies are only distributed to those persons who have a relevant need for them
- pricing and other commercial factors are only accessible to persons with commercial responsibility or the evaluation manager in so far as wider distribution is not necessary to make the evaluation.
- all tender documents are to be kept secure and accounted for at all times

JFA
P.L. [unclear]
AM
KS



7.2.7 Preliminary Evaluation Report

Apart from the relevant persons with the evaluation team, only persons who are involved in the decision-making process shall take part in the short-listing.

7.2.8 Final Evaluation Report

The final evaluation report with the recommendation of a contractor or supplier shall be signed by the evaluation manager, the persons responsible for commercial and technical matters, and should be submitted to the IPT Director for approval of the recommendation and then, in the case of Major Contracts and Purchase Orders (>\$25,000,000) to the JCC for review.

7.2.9 Entering Into an Agreement with an External Contractor/Supplier

The requisitioner is responsible for:

- preparing a procurement/contracting requisition and ensuring that it is approved
- preparing the scope of delivery, the technical specification documents and time schedules, if appropriate in collaboration with other relevant units
- ensuring that the correct cost center is given (if appropriate in collaboration with the project control or cost control) and that the budget funds are available
- ensuring that the authority regulations are followed

The IPT Business Services Manager is responsible for:

- checking that the necessary approval has been given, if necessary arranging for this to be given
- developing the commercial aspects of the contract or purchase order
- providing the IPT legal representative the complete contract document/purchase order and obtaining legal sign off on final documents so that they do not contain contradictory information or wording and otherwise comply with applicable law and the UUOA
- ensuring that the authority regulations are followed (commercial factors)
- ensuring that the contract/purchase order is signed in accordance with the DOA.

7.2.10 Unsuccessful Tenders

Once the recommendation has been approved and the contract/purchase order signed, the unsuccessful tenderers must be informed. These tenderers shall be informed of the reason for the decision if they so request.

7.2.11 Contract/Purchase Order Amendments and Variation Orders

Amendments may be made in order to:

- revise the conditions
- approve revisions, additions or deductions in the contract regarding matters which are not covered by a variation order, for example:
 - revisions to rights, responsibilities and duties

JFA
P.S. [unclear]
[unclear]



- o revisions to contract milestone connected to a bonus or penalty system as well as any other agreement in this connection
- o revisions to the scope of delivery beyond what could be reasonably expected by the parties at the commencement of the agreement
- o revisions to the compensation format

The amendment shall be a negotiated document between the parties and shall be approved by the IPT legal representative.

Variation orders are used for:

- revising the contract/purchase order scope of work/delivery
- revising the contract/purchase order price as a result of the revision to scope/delivery
- implementing options defined in the agreement
- revising the contract/purchase order schedules. Note that dates relating to bonus or penalty systems shall be dealt with as an amendment

The variation order ("VO") may be either a unilateral instruction to the contractor/supplier or a negotiated document for carrying out the above.

The division of responsibility and the procedure with regards to preparation of the variation order or amendment is the same as for the preparation of the contract/purchase order, i.e. the value of the variation or amendment in its own right is treated as if it was a new order or contract. Approval and signature shall then be in accordance with the IPT DOA for the VO or amendment. If there is a trend of a number of variation orders to Major Contracts (>\$25,000,000) then the IPT Director will inform the JOC/JCC of reasons for changes in a timely fashion through ad-hoc communication, project monthly reporting and meetings as required.

7.2.12 Company Representative

If it is stated in the conditions of contract that an Operator company representative shall be appointed to be the formal contact person for the contract, the IPT Business Services Manager in consultation with the IPT Director is responsible for appointing this Operator company representative.

For all contracts, the requisitioning Project Engineer shall be in charge of quality, safety, costs, progress, and commercial matters.

7.2.13 Progress and Quality Plans

The requisitioner or the appointed person shall define the quality management level for each individual agreement, as well as developing a follow-up program.

7.2.14 Contract Close Out

The contractor or supplier shall confirm that all invoices have been presented and that there is agreement regarding the final value of the contract for all contracts with a value above USD 500,000. The completion of all other commercial aspects must also be ensured.

JVA
P.S. AMYB



IPT Business Services must evaluate whether it is desirable to follow an equivalent procedure for contracts/purchase orders with a lower value.

IPT Business Services shall develop a final report for all the contracts which they considered to be relevant.

8 Sole Source (No Tender) and Affiliate Contracts/Purchase Orders

8.1 Sole Source Contracts

8.1.1 Sole Source Contracts for Purchasing with value up to \$1,000,000

Procurement for values up to USD 1,000,000 that are not from Affiliates, can be made by the person responsible for budget without going to tender, although all other contracting and procurement procedures apply.

In addition, a bid waiver and UOC approval is not required in the following cases:

- contracts for research and development, studies, verifications or other special services where the contract value is no greater than USD 100,000
- hiring personnel under a framework or master services agreement where the contract value is no greater than USD 500,000
- call off orders covered by a framework or master services agreement
- purchasing of spare parts under a framework or master services agreement

8.1.2 Sole Source Contracts with value greater than \$1,000,000

A bid waiver and UOC approval is required, except as provided above in Section 8.1.1, if a sole source is proposed for a contract of value greater than \$1,000,000.


8.2 Affiliate Contracts

8.2.1 Procurement from and Contracting with Affiliates (Affiliates as Supplier/Contractor)

A formal agreement is required for the procurement of goods or services from Affiliates (such as a Technical Services Agreement), and a formal requisition shall be prepared and guidelines for charging costs shall be prepared pursuant to such agreement clarifying the terms of procurement among the project, the accounting department and the relevant Operator.

For Affiliate contracts/purchase orders no greater than \$1,000,000 approval of the UOC is not required. For Affiliate contracts/purchase orders greater than \$1,000,000 approval of the UOC is required and the IPT Director shall be responsible for making any recommendations in this regard to the UOC for approval.

JJA
P.S. *[initials]*
AM/S

	Jubilee Field Unit	Page 11
---	---------------------------	----------------

9 Jubilee Contracts Committee (JCC)

The JCC will report to the UOC and review and verify all non-Affiliate tender contracts and purchase orders greater than \$25,000,000 ("Major Contracts") through the above described contracting and procurement process. Upon review and verification by the JCC, such contracts and purchase orders will be submitted to the UOC for approval pursuant to the UUOA.

The JCC will consist of one representative from each of the JCC Parties (as defined in the UUOA to comprise Tullow, Kosmos and Anadarko). Each representative will have extensive major contract/purchasing experience.

The JCC will liaise with the IPT Business Services Manager from an early stage in the contracting and procurement process so that there is little delay in submitting contracts to the UOC for approval. The IPT Business Services Manager will advise the JCC of any forthcoming tender inquiries.

The JCC will advise the IPT Director of their recommendations and work with the IPT Director to address any outstanding issues prior to the submission of the contract to the UOC for approval.

The JCC will meet or teleconference as frequently as required to ensure that there are no delays to providing a contract award recommendation.

10 Contract or Purchase Order Signature

When approved and ready for signature the contracts or purchase orders are to be passed to the Unit Operator, designated under the UUOA, for signature, in accordance with the IPT DOA.


11 Amendment and Termination

During the Interim Period, this Document may be amended and/or terminated only by the JOC; and following the Effective Date of the UUOA, this Document may be amended and/or terminated only by the UOC.

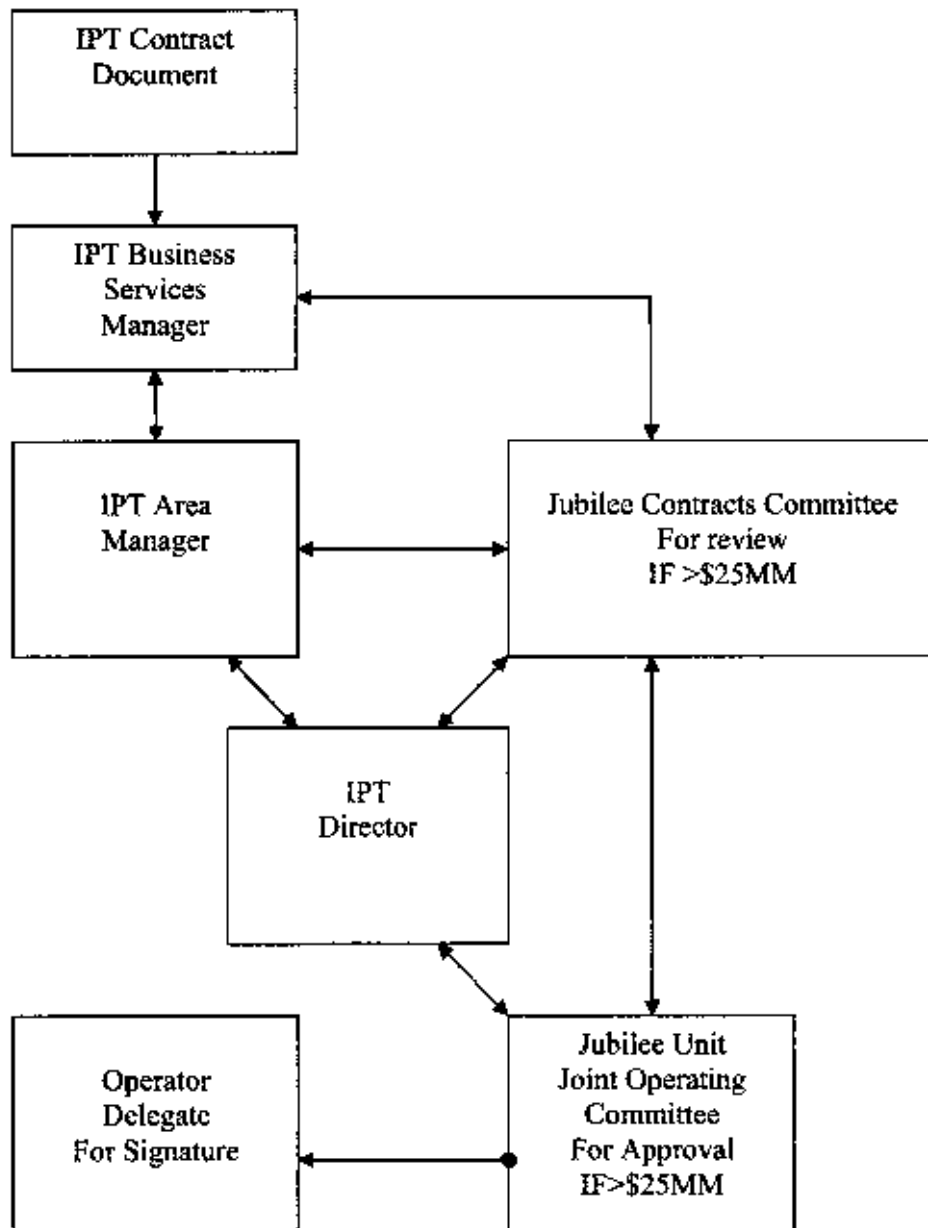
12 References

- Jubilee Pre-Unitization Agreement
- Jubilee Unitization and Unit Operating Agreement
- Anadarko Supply Chain Management Policy and Procedures
- Anadarko International Procedures - Procurement of Goods and Services
- Ghana Jubilee Field Unit, Integrated Project Team, Delegation of Authority (also see Exhibit A)


JFA
P.S. KEN
AM
AS

	Jubilee Field Unit	App 1
---	---------------------------	--------------

APPENDIX 1 – IPT AWARD OF NON-AFFILIATE TENDERED CONTRACTS / PURCHASE ORDERS >\$25,000,000 (“MAJOR CONTRACTS”)



JCA
P.S. BEN
AMJ

	Jubilee Field Unit	App 2
---	---------------------------	--------------

APPENDIX 2- IPT AFE FORM

Jubilee Field Unit

Authorization for Expenditure


Subsidiary:		AFE No.	
Location:		Date	
Originated By:		Original Authorization	
		Supplement/Revision	
<u>Project Description/Justification:</u> <div style="text-align: center; font-size: 2em; font-weight: bold;">TEMPLATE</div>			

Purpose of Authorization (Check Type of AFE)		Budget Information	
<input type="checkbox"/> Pre-Sanction		Budget Year	200
<input type="checkbox"/> Drilling, Completion		Budgeted	
<input checked="" type="checkbox"/> Fabrication		Yes	
<input type="checkbox"/> Other		No	

JUBILEE FABRICATION AFE		
Summary of Costs		Gross
1000 General & Administration		
2000 Subsurface (Geological & Geophysical)		
3000 Well Planning & Construction		
4000 Facilities		
5000 Subsea & Gathering Systems		
6000 Transportation System		
7000 Commissioning & Start Up		
8000 Operations		
9000 Contingency & Escalation		
Total		\$0

SEE PAGE 2 FOR APPROVALS

JVA
P.S. [signature]
AMR

	Jubilee Field Unit	App 3
---	---------------------------	--------------

APPENDIX 3- IPT DECLARATION OF POSSIBLE CONFLICT OF INTEREST

**GHANA JUBILEE FIELD UNIT
CONFLICT OF INTEREST QUESTIONNAIRE AND DECLARATION FORM**

PURPOSE

This document is made a part of the Jubilee Field Unit Integrated Project Team Contracting & Procurement Policies and Procedure. The Jubilee Field Unit is being developed by Ghana National Petroleum Corporation, Tullow Ghana Limited, Kosmos Energy Ghana HC, Anadarko WCTP Company, Sabre Oil and Gas Holdings Limited ("Sabre") and EO Group Limited ("EO").

A "conflict of interest" exists whenever an individual's private interests interfere or conflict in any way (or even appear to interfere or conflict) with the interests of the development and operation of the Jubilee Field Unit (referred to herein as the "Jubilee Project"). Any business, financial or other relationship with suppliers (including without limitation, vendors, contractors, subcontractors, and consultants) that might impair or appear to impair the exercise of your judgment solely for the benefit of the Jubilee Project is prohibited.

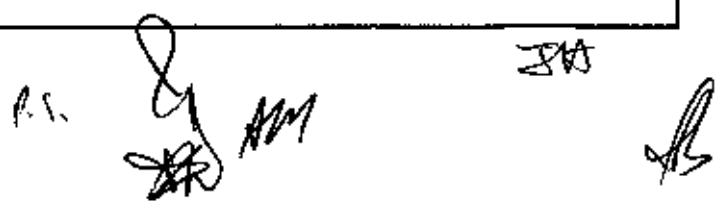
Any person involved in the Jubilee Project procurement process shall declare in writing, any possible circumstance that could lead to a conflict of interest as soon as he/she becomes aware of it.

Please complete all questions below before signing this document.

- 1.) Do you know of any past, present or possible circumstance involving yourself or a family member that could lead to a conflict of interest?
 - No, I know of no past, present or possible conflict of interest.
 - Yes, I will disclose this information below.

- 2.) Do you agree to promptly advise your immediate supervisor if you become aware of any conflict of interest?
 - Yes, I agree.
 - No, I do not agree.

- 3.) Do you or any of your family members hold any ownership interests in any company providing services or materials to the Jubilee Project?
 - Yes.
 - No, neither I nor any of my family members hold any such interests.





Jubilee Field Unit

App 3

4.) Will you disclose all financial and other business relationships you or your family members are involved in with Jubilee suppliers?

- Yes, neither I nor any of my family members are involved in any such relationship.
- Yes, I will disclose this information below.
- No, I will not disclose the information requested.

5.) Do you agree to disclose any outside employment, self-employment or service as an officer, director, partner or consultant for outside organizations that could (1) reduce work efficiency; (2) interfere with your ability to work in the Jubilee Project's best interest; or (3) require you to utilize Jubilee proprietary or confidential information, procedures, plans or techniques?

- Yes, but I do not engage in outside employment, self-employment or serve as an officer, director, partner or consultant for outside organizations.
- Yes, I will disclose this information below.
- No, I will not disclose the information requested.

Disclosure for Items 1, 4, and 5:

JJA
D.L. *BM* *ES*



Jubilee Field Unit

App 3

Signature:	
Name:	
Company:	
Title:	
Date:	

JFA
P.S. [unclear] AM


	Jubilee Field Unit	Ex A-1
---	---------------------------	--------

EXHIBIT A - GHANA JUBILEE FIELD UNIT, INTEGRATED PROJECT TEAM, DELEGATION OF AUTHORITY

Delegation of Authority
Ghana Jubilee Field
IPT

*P.S. IJA
200
AM
XB*




Jubilee Field Unit

Ex A-2

Contents

Page 3-4	Guidance Notes for User
Page 5	Authority Levels
Page 6	Budgets
Page 7	Authorisation for Expenditures (AFE's)
Page 8	Operated Commitments
Page 10	Operated Commitments (non-denominated monetary value)
Page 11	General G & A costs
Page 12	Travel Authorisation
Page 13	Staff Matters
Page 13	Invoice Approval
Page 14	Payment Approvals

Handwritten notes:
JRS
P.S. 150
AM
KS

	Jubilee Field Unit	Ex A-3
---	---------------------------	--------

Introduction

The Joint Operating Committee (JOC) as established by the Jubilee Field Pre-Unitisation Agreement dated February 22, 2008 (PUA) has enabled you, as one of a number of responsible individuals within the Integrated Project Team (IPT), to incur expenditure on behalf of the Ghana Jubilee Field Unit Area project (the Project). The Delegation of Authority document lays down exactly what monetary level has been entrusted to you, and the types of expenditure for which you are held accountable. This note describes the document itself, its purpose and how to use it.

The IPT is an entity set up by the Jubilee Field Unit participating interest owners who are:

- Tullow Ghana Limited
- Kosmos Energy Ghana HC
- Anadarko WCTP Company
- Sabre Oil and Gas Holdings Limited
- EO Group Limited

with equity shares as defined in the Pre-Unit and Unit Operating Agreements.

A Delegation of Authority document is also in place in the Unit Operator organisation controlling expenditures, where similar levels and authorities have been established.


The Delegation of Authority Document

This document outlines the specific authority that you have been given by the JOC and should be read in conjunction with the PUA, the Contracts and Procurement Sub-Committee's Contract and Procurement Procedures and the Unitisation and Unit Operating Agreement (UUOA) once agreed. Once the UUOA is effective, the JOC shall be replaced by the Unit Operating Committee (UOC) and all references in this document to JOC shall be read as referring to the UOC.

The document is not intended to be an onerous procedure but to stand as a vital document for maintaining control of the Project and for the protection of employees entering into transactions for or on behalf of the Project. Without specifically documented and delegated authority from the JOC, any transaction entered into by you on the Project's behalf may have no basis in company law.

The authorities and approval levels set in both the IPT and Unit Operator DoA documents are provided by the JOC for prudent use by experienced personnel in execution of the project and Operator business, whilst empowering the same individuals to make executive, contractual and budgetary decisions in order to expedite their business in a timely fashion with appropriate and not onerous control. The term 'Operator' refers to both the Unit Operator and Technical Operator.

JA
P.S. [initials]
AM

	Jubilee Field Unit	Ex A-4
---	---------------------------	---------------

Each individual, in consultation with his/her line Manager is responsible for ensuring that he/she has sufficient authority to enter into a transaction. The following should be noted:

1. Individuals can only exercise their commitment authority within their own Approved Budget;
2. Individuals cannot pass on authority temporarily. With prior Level 2 approval an individual can nominate a permanent alternate for absences of more than 2 days. If both an individual and the alternate are unavailable, approvals must be referred upwards.
3. Individuals cannot independently, both authorise a commitment and approve a payment (note distinction from approving for payment).
4. An individual cannot artificially subdivide a transaction to keep within levels of authority.

This authority will arise from a combination of circumstances:


1. An approved budget and AFE (if appropriate) exists and the costs to be incurred are within the approved budget scope
2. The terms of the relevant Operating Agreement; Unit Operating Agreement (UOA) and until such time the UOA is agreed, the West Cape Three Points (WCTP) Joint Operating Agreement (JOA), and Petroleum Agreements are complied with
3. The relevant awards and subsequent Contracts/Purchase Orders (PO's)/Service Orders (SO's)/Work Orders (WO's) are prepared and signed off in accordance with the PUA Contracts and Procurement Sub-Committee's Contract and Procurement Procedures.
4. The goods/services received are of satisfactory standard
5. The invoice approval procedure has been carried out
6. The overall level of funds to be committed is in accordance with the relevant individual's approval level.

Each of these requirements, where relevant, must be satisfied before any individual is authorised to approve a transaction.

This document is not intended to represent the total approval process for all transactions - its principal purpose is to provide a framework within which individuals may approve transactions with reference to their materiality to an individual operation, the Project generally.

The document is approved by the JOC and reviewed once a year, after the Project Budget has been set; it is maintained by the Unit Operator Ghana Finance Manager.

JJA
P.S.
AM
26

	Jubilee Field Unit	Ex A-5
---	---------------------------	---------------

The document itself is divided into sections, corresponding to the types of transaction for which authority is being delegated (e.g. Budget and AFE approval, Contract/Service Order/Purchase Order execution, invoice approval etc).

Individual Levels

For the purposes of this document the following are the relevant levels for approval and/or signature of transactions and commitments:

- Level 4 - JOC**
- Level 3 - Unit Operator, Ghana Development Manager**
- Level 2 - IPT Senior Management/Director**
- Level 1 - IPT Project line managers**

Individual Levels cont.


Each budget has a designated budget holder. A list of current budget holders is included in the relevant budget book.

On request, a Power of Attorney may be provided to evidence the scope of an individual's authority as per this Delegation of Authority. In executing a document pursuant to this Delegation of Authority, individuals should clearly indicate that they are doing so pursuant to a Power of Attorney on behalf of the Unit Operator.

Change Requests

All requests for amendments to this Delegation of Authority are to be sent in the first instance to Chairman of Accounting Sub-Committee (Rob White) who will collate them for approval by the JOC.

JWA
P.S. [signature]
[signature]

	Jubilee Field Unit	Ex A-7
---	---------------------------	---------------

Budgets

	AUTHORITY	BUDGET HOLDER	LIMIT US\$
a	Budget Amendments/Revisions	Level 4	No Limit
b	Transfer from Contingent to Firm	Level 4	< Approved Budget



Notes


- 1) Before budget approval is given it is important to ensure that there is compliance with the relevant terms of the appropriate Operating Agreement and Petroleum Agreement.
- 2) Overall IPT Budget Approval must be in place before AFEs are approved.
- 3) Prior year budget carryovers, whilst previously approved by the JOC, must be included in the current year budget for information purposes. Project line items that extend beyond the current budget year require JOC approval before any commitments are entered into or expenditure incurred.
- 4) Whilst the JOC may approve a firm budget in principle, certain aspects of the budget may be subject to an additional technical approval process as may be required expressly and only by the JOC.

To gain approval for the unapproved element of the firm budget, budget revisions or a new proposal a revised budget accompanied by appropriate documentation, should be submitted by the budget holder for JOC approval. Commitments cannot be entered into until such approval has been given.

To ensure accurate tracking of commitments an AFE number should be requested from the IPT Business Services Manager prior to approval. The IPT Technical Operator Finance Manager (Sylvia Manor) and Unit Operator Finance Manager (Rob White) should be copied with budget revisions requests.

- 5) The IPT functional groups will execute work programmes on behalf of the budget holders. They will execute the technical activity assigned and supervise any contractors used. They must report progress to the budget holder and advise of any cost overruns in a timely manner so that the budget holder can seek supplementary approval. The budget holder retains ultimate responsibility for the budget.


 P.S. 

	Jubilee Field Unit	Ex A-8
---	---------------------------	---------------

Authorisation for Expenditure (AFE's)

	AUTHORITY	BUDGET HOLDER	LIMIT US\$
a	Authorisation for Expenditure (AFE)	Level 4	> \$1,000,000 up to Approved Budget
b	Authorisation for Expenditure (AFE)	Level 2	< \$1,000,000

Notes

- 1) An approved Budget must be in place before AFE's are raised.
- 2) Approved AFE's will remain open for the duration of a project (i. e. AFE's may be carried over from one budget year to another until the project is completed)
- 3) The AFE provisions and procedures per the relevant Operating Agreement/Petroleum Agreement must be followed, in particular with regard to overruns. AFE overruns may be permitted under the terms of the UUDA which must be consulted in such event.

Operated Commitments

With Third party, not Jubilee Partners' Affiliates

	AUTHORITY	BUDGET HOLDER	LIMIT US\$
a	Contracts/PO's/SO's/WO's - Approval to award (within Approved Budget/AFE)	Level 4 Level 2 Level 1	> \$25,000,000 ¹ ≤ \$25,000,000 < \$5,000,000
b	Contracts/PO's/SO's/WO's - Signature (within Approved Budget/AFE)	Level 3 Level 3 Level 2	> \$25,000,000 ¹ ≤ \$25,000,000 < \$5,000,000 ²


With Jubilee Partners Affiliates or sole sourced contracts

	AUTHORITY	BUDGET HOLDER	LIMIT US\$
a	Contracts/PO's/SO's/WO's - Approval to Award (within Approved Budget/AFE)	Level 4 Level 2 Level 1	> \$1,000,000 ³ ≤ \$1,000,000 < \$1,000,000
b	Contracts/PO's/SO's/WO's - Signature (within Approved Budget/AFE)	Level 3 Level 2	≥ \$1,000,000 < \$1,000,000

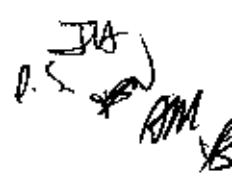
Notes


- 1) Contracts in excess of \$25,000,000 require review by the Jubilee Contract Committee (JCC) and approval by the Joint Operating Committee (JOC). Level 3 does not recommend/approve contracts rather executes and signs these major contracts as Unit Operator on behalf of the JOC after their approval is given. The Unit Operator has a parallel DoA documented process related to its own recommendation and contract award procedure, hence, level 3 approval is not required in the IPT Recommendation to Approve (RTA) approval process.

JPA
P.S. *AM*
AM
B

	Jubilee Field Unit	Ex A-9
---	---------------------------	---------------

- 2) Level 2 (IPT Director) Contract/PO/SO/WO approval level is set to enable timely decision making in a major project execution environment, where final contracts in the Unit Operator name are being signed-off by the Level 2 signee. Contract documentation in the IPT is prepared and reviewed by the IPT Legal Counsel (a Unit Operator assignee to IPT), prior to Level 2 approval, to ensure it is appropriate for UK and all applicable law and in alignment with Unit Operator expectations with respect to terms and conditions.
- 3) Contracts in excess of \$1,000,000 require review and approval by the Joint Operating Committee (JOC).
- 4) See also Unit Operating Agreement Contracts and Procurement Sub-Committee's Contract and Procurement Procedures
- 5) Commitments may only be entered into when the following conditions are met:
 - a) There exists an approved Budget/AFE per the relevant Operating Agreement with sufficient funds remaining to cover such commitments.
 - b) The Contracts Award Procedure per the relevant Operating Agreement has been complied with.
 - c) The Contracts/PO's/SO's/WO's are prepared in accordance with the Contracts and Procurement Sub-Committee procedures.
- 6) In addition to the Level 3 and 2 signatures noted above only Unit Operator Contracts and Procurement staff may sign Contracts/PO's/SO's/WO's
- 7) Level 1 assumed to be requisitioning therefore cannot sign contracts.
- 8) **Notwithstanding the above**, only Unit Operator and Technical Operator employees and officers are authorized to sign Operated Commitments.



	Jubilee Field Unit	Ex A-10
---	---------------------------	----------------


Operated Contracts (non-denominated monetary value)¹

With Third party and Operator Affiliates

	AUTHORITY	BUDGET HOLDER	EMILUSS
a	Contracts/Agreements - Approval to sign ¹	Operator Legal counsel	Not applicable
	Contracts/Agreements - Signature	Level 2 - if one or more 'special provisions' ³ Level 1 - if no 'special provisions' ³	Not applicable

- 1) This covers Operator contracts and agreements such as Confidentiality Agreements (CA) and Confidentiality Undertakings that do not have a denominated monetary value and are NOT related to a Operator Commitment with a monetary value, such as a letter of intent. In other words, authority to sign a letter of intent with respect to a particular Operator Commitment is covered by the relevant provisions of the Operator Commitment.
- 2) All Confidentiality Agreements and other contracts shall be approved by Operator legal counsel
- 3) **Notwithstanding the above**, only Unit Operator and Technical Operator employees and officers are authorized to sign Operated Contracts.
- 4) If a Confidentiality Agreement is used contains any of the following 'special provisions' then Level 2 approval is required:
 - a. standstill;
 - b. hiring restriction;
 - c. offer-back;
 - d. non-compete;
 - e. area of mutual interest; or
 - f. preferential purchase right

JIA
 R.S. [unclear]
 [unclear]

	Jubilee Field Unit	Ex A-11
---	---------------------------	----------------

General & Administration Cost Commitments

	AUTHORITY	BUDGET HOLDER	LIMIT US\$
a	General G & A costs – Budgeted	Level 2 Level 1	< Approved Budget < \$100,000
b	General G & A costs – Unbudgeted	Level 2	< \$50,000
c	Professional Fees (Legal/Audit/Tax etc.)	Level 2 Level 1	< Approved Budget < \$50,000
d	Employee Expense Claims (excluding flights)	Level 2 Level 1	< \$25,000 < \$5,000

Notes

- 1) G&A Budget holders and amounts – to be advised per Budgets
- 2) The IPT consists of secondees from Jubilee Participating Interest Holders. Staff or long term consultant contractual employment issues between Jubilee Participating Interest Holders will be dealt with by the relevant Participating Interest Holders in accordance with the UUOA and the Participating Interest Holders own corporate policies.
- 3) Any G&A costs related to reimbursement of Government or GNPC employee travel or other costs must comply with the business ethics and anti-corruption rules agreed by the Jubilee parties


Travel Authorisation Request Commitments

	AUTHORITY	BUDGET HOLDER	LIMIT US\$
a	Travel – Budgeted	Level 2 Level 1	No Limit < \$10,000

Notes

- 1) Ensure compliance with the Jubilee Participating Interest Holders' corporate travel policies.
- 2) Any Travel costs related to reimbursement of Government or GNPC employee travel or other costs must comply with the business ethics and anti-corruption rules agreed by the Jubilee Participating Interest Holders in the UUOA.

JH
A. (son)
AM

	Jubilee Field Unit	Ex A-12
---	---------------------------	----------------

Invoice Approvals

#	AUTHORITY	BUDGET HOLDER	LIMIT US\$
1	Operations & Project Expenditure - supported by Contract/PO/SO, GRN's, Timesheet	Level 2 Level 1 Level 0	< Approved AFE < \$10,000,000 < \$100,000
2	General and Administration costs - supported by contracts/ PO/SO/WO/GRN	Level 2 Level 1	< Approved Budget < \$100,000
	- not supported by Contract/PO/SO/GRN	Level 2	< \$50,000
	Professional Fees (Legal/Audit/Tax etc.) ²	Level 2 Level 2 Level 1	< Approved Budget ² < \$250,000 < \$50,000

Notes

- 1) Before an invoice is finally approved for payment the following conditions must exist:-
 - a) a valid Contract/PO/SO/WO is in place.
 - b) a Goods/Service Received Note is in place and properly authorised.
 - c) the arithmetical accuracy of the invoice is checked.
 - d) the local accountant/Finance Manager's endorsement is obtained.

- 2) In addition to 1), Professional Fees invoice must also be approved by the appropriate professional with relevant experience within the discipline provided with the service

- 3) JOC approval is required before Level 2 can approve

Payment Approvals

#	AUTHORITY	BUDGET HOLDER	LIMIT US\$
1	Telegraphic Transfer	AS PER BANK MANDATES	

- 1) ALL BANK MANDATES ARE MAINTAINED BY THE RELEVANT TULLOW CORPORATE GROUP TREASURERS

- 2) All payments, including reimbursement of costs to Jubilee Participating Interest Holders incurred prior to the UUOA, are to be made by the Unit Operator. The only exception to this is local Dallas G&A IPT Technical Operator costs associated with secondees expenses.



ATTACHED TO AND MADE PART OF THE UNITIZATION AND UNIT OPERATING AGREEMENT BY AND BETWEEN GHANA NATIONAL PETROLEUM CORPORATION, TULLOW GHANA LIMITED, KOSMOS ENERGY GHANA HC, ANADARKO WCTP COMPANY, SABRE OIL & GAS HOLDINGS LIMITED, AND EO GROUP LIMITED
(THE "AGREEMENT")

EXHIBIT "T"

PART 2

UNIT OPERATIONS CONTRACT PROCEDURE

PS. *AM* *JCA* *WJ* *YB*

**The Republic of Ghana
Jubilee Field Unit**

Unit Operator

**Contracting & Procurement Policy and
Procedure**

JH
P.S. [Signature]

CONTENTS

1	PURPOSE AND DEFINITIONS.....	3
2	SCOPE OF POLICY AND PROCEDURE.....	3
	2.1 AUTHORIZATION OF CONTRACTING AND PROCUREMENT POLICY AND PROCEDURE.....	3
	2.1.1 <i>Period between the effective date of the PUA and prior to Effective Date of the UUOA (the "Interim Period").....</i>	3
	2.1.2 <i>After the Effective Date of the UUOA.....</i>	3
3	RESPONSIBILITIES OF UO DEVELOPMENT MANAGER AND COUNTRY MANAGER, UO CONTRACTS AND PROCUREMENT MANAGER, AND UO AREA MANAGERS.....	4
4	COMPLIANCE WITH COMPETITION RULES AND APPLICABLE LAWS.....	4
5	DELEGATION OF AUTHORITY (DOA).....	4
6	AUTHORISATION FOR EXPENDITURE (AFE) PROCEDURE.....	5
	6.1 PREPARATION AND APPROVAL.....	5
	6.1.1 <i>Work Included in approved Work Program and Budget.....</i>	5
	6.1.2 <i>Over Expenditures.....</i>	5
	6.1.3 <i>Work NOT included in approved Work Program and Budget.....</i>	5
	6.2 WORK PROGRAM AND BUDGETS.....	6
	6.2.1 <i>Pre-UUOA Work Program and Budget.....</i>	6
	6.2.2 <i>UUOA Work Program and Budget.....</i>	6
	6.2.3 <i>Drilling and Well Completion AFE's.....</i>	6
	6.3 AFE, INVOICE AND EXPENDITURE APPROVAL AUTHORITIES.....	7
7	CONTRACTING AND PROCUREMENT PROCESS DESCRIPTION.....	7
	7.1 POSSIBLE CONFLICT OF INTEREST.....	7
	7.1.1 <i>Segregation Of Duties, Review And Approval Of Documents.....</i>	7
	7.1.2 <i>Deputies.....</i>	8
	7.1.3 <i>Authority To Procure and Award Contracts and Purchase Orders.....</i>	8
	7.2 THE CONTRACTING AND PROCUREMENT PROCESS.....	9
	7.2.1 <i>Contracting and Procurement Strategies and Plans.....</i>	9
	7.2.2 <i>Tender Lists.....</i>	9
	7.2.3 <i>Preparing Invitations to Tender Documents.....</i>	9
	7.2.4 <i>The Tender Process.....</i>	10
	7.2.5 <i>Evaluation.....</i>	10
	7.2.6 <i>Receiving and Opening Tenders.....</i>	10
	7.2.7 <i>Preliminary Evaluation Report.....</i>	11
	7.2.8 <i>Final Evaluation Report.....</i>	11
	7.2.9 <i>Entering Into an Agreement with an External Contractor/Supplier.....</i>	11
	7.2.10 <i>Unsuccessful Tenders.....</i>	12
	7.2.11 <i>Contract/Purchase Order Amendments and Variation Orders.....</i>	12
	7.2.12 <i>Company Representative.....</i>	12
	7.2.13 <i>Progress and Quality Plans.....</i>	13
	7.2.14 <i>Contract Close Out.....</i>	13
8	SOLE SOURCE (NO TENDER) AND AFFILIATE CONTRACTS/PURCHASE ORDERS.....	13
	8.1 SOLE SOURCE CONTRACTS.....	13

JVA
 P.S.
 AMB
 JS

8.1.1	<i>Sole Source Contracts for Purchasing with value up to \$500,000</i>	13
8.1.2	<i>Sole Source Contracts with value greater than \$1,000,000</i>	13
8.2	AFFILIATE CONTRACTS	14
8.2.1	<i>Procurement from and Contracting with Affiliates (Affiliates as Supplier/Contractor)</i>	14
9	JUBILEE CONTRACTS COMMITTEE (JCC)	14
10	CONTRACT OR PURCHASE ORDER SIGNATURE	14
11	AMENDMENT AND TERMINATION	14
12	REFERENCES	15
13	APPENDIX 1 – UO AWARD OF NON-AFFILIATE TENDERED CONTRACTS /PURCHASE ORDERS >\$25,000,000 (“MAJOR CONTRACTS”)	16
14	APPENDIX 2– UO AFE FORM	17
15	APPENDIX 3- UO DECLARATION OF POSSIBLE CONFLICT OF INTEREST – (UNDER DEVELOPMENT)	18
16	EXHIBIT A - GHANA JUBILEE FIELD UNIT, UNIT OPERATOR, DELEGATION OF AUTHORITY	20

Handwritten signatures and initials:
 J.A.
 A.S.
 A.M.
 X/B

1 PURPOSE AND DEFINITIONS

This Jubilee Unit Operator Contracting and Procurement Policy and Procedure (the "Policy and Procedure") defines the requirements and guidelines for contracting and procurement activities to be carried out by the Unit Operator under the PUA and UUOA with respect to operations in the Jubilee Field Unit.

For the avoidance of doubt, this document has the same function and varies only in detail to the Integrated Project Team Contracting & Procurement Policy and Procedure.

Defined terms in this document shall have the same meaning as in the Unitization and Unit Operation Agreement to be entered into among Ghana National Petroleum Corporation ("GNPC"), Tullow Ghana Limited ("Tullow"), Kosmos Energy Ghana HC ("Kosmos"), Anadarko WCTP Company ("Anadarko"), Sabre Oil and Gas Holdings Limited ("Sabre") and EO Group Limited ("EO") ("UUOA").

"JOA" Joint Operating Agreement

"Project" The Jubilee Field Unit Development Project

2 SCOPE OF POLICY AND PROCEDURE

This Policy and Procedure applies to all personnel of the Unit Operator involved in contracting and procurement processes in carrying out Unit Operations under the PUA and UUOA.

2.1 Authorization of Contracting and Procurement Policy and Procedure

2.1.1 Period between the effective date of the PUA and prior to Effective Date of the UUOA (the "Interim Period")

The Joint Operating Committee ("JOC") established pursuant to the Pre-Unitization Agreement dated effective February 22, 2008 ("PUA") has the authority to approve this Policy and Procedure. During the Interim Period, only the JOC may authorize any deviations from this Policy and Procedure, subject to, in all cases, to the applicable provisions set forth in the PUA.

In this document, wherever the term UOC is used, it is deemed to refer to the JOC for the Interim Period. Similarly, wherever the term UUOA is used, it is deemed to refer to the PUA for the Interim Period.

2.1.2 After the Effective Date of the UUOA

From and after the Effective Date of the UUOA, the Unit Operating Committee ("UOC") established pursuant to the UUOA has the authority to approve any deviations from this policy and procedure, subject to, in all cases, the applicable provisions on contracting and procurement set forth in the UUOA.

JJA
P.S. AMB
XS

For the avoidance of doubt, in the event of a conflict between this document and the UUOA, the terms of the UUOA shall prevail.

3 RESPONSIBILITIES OF UO DEVELOPMENT MANAGER AND COUNTRY MANAGER, UO CONTRACTS AND PROCUREMENT MANAGER, AND UO AREA MANAGERS

The major contracts and procurement work of the Unit Operator is the responsibility of the UO Development Manager ("DM") based in London, UK and the UO Country Manager ("CM") based in Accra, Ghana. In the future, and in any event prior to first oil, it is envisaged that the DM role will also transfer to Ghana, to become the UO Jubilee Unit Asset Manager ("AM"). The UO DM/AM and CM will ensure that the contracting and procurement activities are carried out in accordance with this Policy and Procedure.

In turn, "UO Area Managers" have been appointed to assist in the contracting and procurement activities. The authorities of such Area Managers, which derive from the DM (AM) and CM, are set forth in the Ghana Jubilee Field Unit, Unit Operator, Delegation of Authority (the "UO DOA") attached hereto as Exhibit A.

4 COMPLIANCE WITH COMPETITION RULES AND APPLICABLE LAWS

Contracting and procurement activities shall be conducted in an objective and ethical manner and in compliance with the terms of the PUA and/or the UUOA as applicable. Objective competitive contracting, procurement and accepted negotiation practices shall be used to achieve fair and competitive prices, terms, and conditions. Each Unit Operator representative acting under the UO DOA shall ensure that all contracts and procurements are made in accordance with established industry practice standards, applicable Laws/Regulations, requirements of Deepwater Tano Contract, WCTP Contract, PUA and the UUOA in particular, without limitation, the local content requirements.

Subject to the single source exceptions and approved contracts with Affiliates as set out herein, all contract and procurement shall be based on competitive bidding, whenever practical, and equal opportunities for bidding shall be provided for relevant suppliers.

5 DELEGATION OF AUTHORITY (DOA)

All contracting and procurement activities shall be executed within appropriate Delegation of Authority levels as outlined in the UO DOA (Exhibit A).

JFA
R.S.
AM
KS

AUTHORISATION FOR EXPENDITURE (AFE) PROCEDURE**6.1 Preparation and Approval****6.1.1 Work Included in approved Work Program and Budget**

An Authorization for Expenditure ("AFE") will be prepared by the Unit Operator and forwarded to the UOC, via the Unit Operator Ghana Finance Manager ("UO Finance Manager"), for approval for all capital work with a total value exceeding \$1,000,000 USD.

Pursuant to Article 9.6 (A) of the UUOA, the Unit Operator shall have no obligation to furnish an AFE to the UOA with respect to operating cost ("Opex") and general & administration ("G&A") costs that are listed as a separate line items in an approved Work Programme and Budget. The Unit Operator's Opex and G&A expenditure is governed by an annual UOC budget cycle (the "Budget") and its related approval process. An AFE is not required for operating cost/G&A expenditure, if it has been included in the Budget and approved by the UOC.

Notwithstanding the above, the Parties agree that for the purpose of clarity the same C&P procedure, will apply to both Opex and G&A programmes, as it does to capital items.

Where an AFE is submitted, it shall:

- identify the operation by specific reference to the applicable line items in the Annual Work Program and Budget but may relate to the total cost of the operation to be performed;
- describe the work in detail;
- contain the Unit Operator's, as applicable, best estimate of the total funds required to carry out such work;
- outline the proposed work schedule;
- provide a timetable of expenditures, if known; and
- be accompanied by such other supporting information as is necessary for an informed decision

All requisitions will be recorded on the UO Contract Register, which will be updated at least once per Calendar Month.

6.1.2 Over Expenditures

Over expenditures with respect to work included in an approved Work Program and Budget are subject to the provisions of the UUOA.

6.1.3 Work NOT included in approved Work Program and Budget

If the work in question is not included in an approved Work Program and Budget, then the Unit Operator must submit the AFE to the UOC, via the UO Finance Manager, for approval prior to, or with the submission of the relevant contract or purchase order, regardless of the amount in question. (Ref. Appendix 2, AFE form).

6.2 Work Program and Budgets

6.2.1 Pre-UUOA Work Program and Budget

The Joint Management Committees under Deepwater Tano JOA and WCTP JOA have approved a 2008 budget to commence Unit Operator organisational build and an initial AFE for Jubilee Unit Development in-country infrastructure [August 2008 approved]. Major project capital expenditure is managed by the IPT (see next).

Pursuant to the PUA, the JOC has approved an AFE (the "PUA AFE") that provides capital funding to facilitate the early and orderly commencement of development plans during the Interim Period prior to the approval of the Unit Operations Work Program and Budget under the UUOA. Primarily the PUA AFE provides capital funds for IPT based facilities project works. The PUA AFE also provides initial capital funds for: 1.) work to be carried out by the Unit Operator, 2.) organisational development, 3.) in-country infrastructure set-up, 4.) pre-operations set-up and preparations for first oil, and 5) any other activity or operation, excluding development drilling, necessary to assist the Unit Operator in the preparation and completion of the Plan of Development (POD) required to be submitted for approval in connection with the UUOA.

6.2.2 UUOA Work Program and Budget

At Project sanction it is intended that the UOC will approve an overall UUOA Work Program, Budget, and a single Fabrication AFE. The UUOA Work Programme and Budget will include full Unit Operator organisational development and set-up costs including infrastructure, pre-operations and general preparations for first oil. The IPT will manage the single Fabrication AFE that will provide capital funding for the continuation of detailed design procurement, fabrication, construction, installation, hook-up and commissioning activities during Project execution. This Fabrication AFE shall consist of separate cost estimates for each major component or other acquisitions of development systems identified in the Plan of Development. Charges against the Fabrication AFE shall not start until after Project sanctioning and will continue until all facilities are installed and commissioned.

6.2.3 Drilling and Well Completion AFE's

The IPT will be responsible for the development of the well engineering (drilling+completion) Project cost estimate for each Phase of the development, in conjunction with detail budget estimates provided by the Unit Operator who is responsible for the actual Well Engineering program execution. The Unit Operator Well Engineering execution team is also responsible for the contract, procurement and supply of equipment to satisfy the detail well design requirements stated in the Plan of Development and if necessary, modified thereafter by agreement between the IPT and the Unit Operator. The Unit Operator procures these materials for well work using its own Contracts and Procurement procedures. It follows that the subsequent issue of Well Engineering AFE's requires co-operative working given the split of responsibilities as defined in the PUA and that the AFE's will draw down

on the Project well engineering budget, in an agreed manner, between the IPT and the Unit Operator Well Engineering Execution Team.

Drilling AFE's will provide capital funding for drilling Appraisal / Development Wells to the objective depth. A new Drilling AFE will be developed for each new Well drilled (or batch of wells) but a supplement to an existing AFE can be used for sidetracks. A Drilling AFE will not provide funds for Well Completion; therefore, new AFE's will be required for each Well Completion, or batch of completions. In the event a Well is abandoned, a new AFE will be required to fund a substitute well.

Well Engineering AFE's will be issued by the Unit Operator Well Engineering Execution Team and counter-signed by the IPT Director or delegate prior to being issued by UO Finance Manager for approval to the JOC/UOC.

6.3 AFE, Invoice and Expenditure Approval Authorities

All AFE, invoice and expenditure activities associated with contracting and procurement activities shall be executed within appropriate delegation of authority levels as outlined in the UO DOA.

The IPT has a similar IPT DOA which gives the appropriate and same delegation of authority levels for expenditure activities associated with contracting and procurement activities under the responsibility and management of the IPT.

7 CONTRACTING AND PROCUREMENT PROCESS DESCRIPTION

7.1 Possible Conflict Of Interest

Any person involved in the procurement process shall declare in writing, on the form in Appendix 3 hereto, any possible circumstance that could lead to conflict of interest as soon as he/she becomes aware of it.

In all agreements where a contractor or supplier shall perform procurement activities on behalf of Unit Operator, the contractor or supplier is required to inform Unit Operator in advance of any possible conflict of interest situation. The rules stated above shall apply accordingly.

7.1.1 Segregation Of Duties, Review And Approval Of Documents

Adequate segregation of duties and control responsibilities shall be established and maintained in all functional areas of the contracting and procurement process.

Agreement processing and invoice posting responsibilities shall always be separated to ensure independent review and evaluation of the process.

Where adequate segregation cannot be achieved, other compensating controls must be established and documented.

JTA
A.I. [unclear]
AM
13

Contracting and procurement activities shall be organized to comply with the segregation of duties principle. This means that at least two independent, qualified persons in the organisation shall take part in the decision making process in dealing with the individual decisions relating to contracting and procurement and in the relationship with suppliers.

7.1.2 Deputies

If the authorized person is not available to approve or sign a document, a permanent or temporary deputy may carry out this function. If there is no deputy or appointed substitute available, a manager at a similar or higher level may give their approval/signature.

7.1.3 Authority To Procure and Award Contracts and Purchase Orders

The Unit Operator will undertake contracting and procurement activities, including submitting contracts and purchase orders for approval, in accordance with the following tender and approval requirements:

**Summary
Tender and Approval Requirements to Award
Non-Affiliate and Affiliate Contracts and Purchase Orders ("POs")
(all amounts are USD)**

	Non- Affiliate			Affiliate	
	<u>Sole Source Contracts/POs</u>	<u>Tender Contracts/POs</u>	<u>Major Tender Contracts/Pos</u>	<u>Affiliate Contracts/POs</u>	<u>Large Affiliate Contracts/POs</u>
Tender required?	No tender	Tender	Tender	n/a Affiliate	n/a Affiliate
JCC Review required?	No	No	Yes	No	No
Approval level required to award Contracts/POs?	Unit Operator or delegates	Unit Operator or delegates	UOC	Unit Operator or delegates	UOC
Unit Operator/UOC	As per UO DoA	As per UO DoA	As per UO DoA	As per UO DoA	As per UO DoA
Contract/PO Value?	0 to \$1,000,000	> \$1,000,000 to \$25,000,000	>\$25,000,000 And Requests for bid waivers for single source contracts/POs >\$1000,000	0 to \$1,000,000	> \$1,000,000

Prior to presentation to the UOC, Major Contracts and Purchase Orders (>\$25,000,000) shall be reviewed by the Jubilee Contracts Committee ("JCC").

JJA
P.S. [Signature]
AM
B

The UO Development/Asset Manager or Country Manager is responsible for the quality assurance of each contract presented to the UOC and to ensure that the contracts and purchase orders are presented at the appropriate time.

For the avoidance of doubt, the UO Delegation of Authority (DoA) document and its approval levels stated therein, and how they may be modified through time, has precedence over levels stated herein these procedures.

7.2 The Contracting and Procurement Process

7.2.1 Contracting and Procurement Strategies and Plans

An execution Contracting and Procurement Strategy Plan has been developed for the UO and approved by the JOC as of the date of this document.

7.2.2 Tender Lists

The Unit Operator DM/AM or CM, together with the relevant UO Area Managers, is responsible for:

- ensuring that potential suppliers or contractors are qualified and that a financial evaluation has been carried out
- preparing proposed tender lists and approval of such

All contracts and purchase orders for amounts greater than \$1,000,000 shall be subject to competition (tender) prior to award of contract, unless the UOC otherwise approves in accordance with the UUOA.

7.2.3 Preparing Invitations to Tender Documents

The requisitioner is responsible for:

- preparing a procurement requisition and ensuring that it is approved
- preparing and coordinating the technical documents
- ensuring that the Governing Authority Regulations are followed (all aspects)
- ensuring that the correct cost center and budget are referred to (if appropriate in collaboration with project management / person responsible for costs)

The UO Contracts & Procurement Manager (the "UO_C&P Manager") in conjunction with appropriate Area Managers is responsible for:

- checking that the necessary approvals have been given, and if not ensuring that they are
- preparing commercial sections of the documentation
- coordinating the completion of tender documents and ensure that they do not contain contradictory information or wording
- ensuring that authority requirements are followed (commercial considerations)
- ensuring that the correct form of terms and conditions is included

- ensuring that UO legal representative has signed off on final documents
- ensuring that the same information is sent to all tenderers

Tender documents shall be signed in accordance with the UO DOA.

7.2.4 The Tender Process

All formal communication with the tenderers shall be in writing (letter or e-mail) and shall be coordinated and sent by the UO C&P Manager or delegated commercial responsible person. A written record shall be kept of all such communication. Signed documents can be scanned and issued as attachments to e-mail.

7.2.5 Evaluation

The UO C&P Manager is responsible for:

- developing the evaluation criteria which should be reviewed with the JCC before the evaluation process commences
- appointing the evaluation manager in collaboration with the UO DM/AM or CM
- clarifying the evaluation complexity before the evaluation process starts

The evaluation manager shall ensure that:

- an evaluation team is appointed
- an evaluation plan is developed
- a kick-off meeting is held for information on practical and safety related aspects of the evaluation
- the necessary preparations with respect to the premises used for evaluation are made in good time

7.2.6 Receiving and Opening Tenders

All tenders shall be sent to the address given for the UO C&P Manager and shall be labelled with the tender number and the name of the person with responsibility for commercial matters. The tenders shall be kept secure until opening.

Unsolicited tenders shall not be accepted. Tenders which arrive late shall be returned unopened, or alternatively the UO C&P Manager may postpone the opening of all tenders.

When the tenders are opened, the tender log shall be signed by the persons present (the evaluation manager, the persons responsible for the commercial and technical aspects)

The commercial person responsible or the evaluation manager shall ensure that:

- the original copies of the tender are kept in a separate archive and that they are not accessible to unauthorized persons

RS.  AM  DA 

- copies are only distributed to those persons who have a relevant need for them
- pricing and other commercial factors are only accessible to persons with commercial responsibility or the evaluation manager in so far as wider distribution is not necessary to make the evaluation.
- all tender documents are to be kept secure and accounted for at all times

7.2.7 Preliminary Evaluation Report

Apart from the relevant persons with the evaluation team, only persons who are involved in the decision-making process shall take part in the short-listing.

7.2.8 Final Evaluation Report

The final evaluation report with the recommendation of a contractor or supplier shall be signed by the evaluation manager, the persons responsible for commercial and technical matters, and should be submitted to the UO DM/AM or CM for approval of the recommendation and then, in the case of Major Contracts and Purchase Orders (>\$25,000,000) to the JCC for review and the UOC for approval.

7.2.9 Entering Into an Agreement with an External Contractor/Supplier

The requisitioner is responsible for:

- preparing a procurement/contracting requisition and ensuring that it is approved
- preparing the scope of delivery, the technical specification documents and time schedules, if appropriate in collaboration with other relevant units
- ensuring that the correct cost center is given (if appropriate in collaboration with the Project control or cost control) and that the budget funds are available
- ensuring that the authority regulations are followed

The UO C&P Manager is responsible for:

- checking that the necessary approval has been given, if necessary arranging for this to be given
- developing the commercial aspects of the contract or purchase order
- providing the UO legal representative the complete contract document/purchase order and obtaining legal sign off on final documents so that they do not contain contradictory information or wording and otherwise comply with applicable law and the UUOA.
- ensuring that the authority regulations are followed (commercial factors)
- ensuring that the contract/purchase order is signed in accordance with the DOA.

JA
R.S. AM
B

7.2.10 Unsuccessful Tenders

Once the recommendation has been approved and the contract/purchase order signed, the unsuccessful tenderers must be informed. These tenderers shall be informed of the reason for the decision if they so request.

7.2.11 Contract/Purchase Order Amendments and Variation Orders

Amendments may be made in order to:

- revise the conditions
- approve revisions, additions or deductions in the contract regarding matters which are not covered by a variation order, for example:
 - revisions to rights, responsibilities and duties
 - revisions to contract milestone connected to a bonus or penalty system as well as any other agreement in this connection
 - revisions to the scope of delivery beyond what could be reasonably expected by the parties at the commencement of the agreement
 - revisions to the compensation format

The amendment shall be a negotiated document between the parties and shall be approved by the UO legal representative.

Variation orders ("VO") are used for:

- revising the contract/purchase order scope of work/delivery
- revising the contract/purchase order price as a result of the revision to scope/delivery
- implementing options defined in the agreement
- revising the contract/purchase order schedules. Note that dates relating to bonus or penalty systems shall be dealt with as an amendment

The VO may be either a unilateral instruction to the contractor/supplier or a negotiated document for carrying out the above.

The division of responsibility and the procedure with regards to preparation of the variation order or amendment is the same as for the preparation of the contract/purchase order, i.e. the value of the variation or amendment in its own right is treated as if it was a new order or contract. Approval and signature shall then be in accordance with the UO DOA for the VO or amendment. If there is a trend of a number of VOs to large contracts (>\$25 million) then the UO DM/AM or CM will inform the JOC/JCC of reasons for changes in a timely fashion through ad-hoc communication, Project monthly reporting and meetings as required

7.2.12 Company Representative

If it is stated in the conditions of contract that a Unit Operator representative shall be appointed to be the formal contact person for the contract, the UO C&P

JSA
P.S.
AM
B

Manager in consultation with the UO DM/AM or CM, is responsible for appointing this Unit Operator representative.

For all contracts, the requisitioning Person shall be in charge of quality, safety, costs, progress, and commercial matters.

7.2.13 Progress and Quality Plans

The requisitioner or the appointed person shall define the quality management level for each individual agreement, as well as developing a follow-up program.

7.2.14 Contract Close Out

The contractor or supplier shall confirm that all invoices have been presented and that there is agreement regarding the final value of the contract for all contracts with a value above USD 1,000,000. The completion of all other commercial aspects must also be ensured.

UO C&P Manager must evaluate whether it is desirable to follow an equivalent procedure for contracts/purchase orders with a lower value.

UO C&P Manager shall develop a final report for all the contracts which it considers to be relevant.

8

Sole Source (No Tender) and Affiliate Contracts/Purchase Orders

8.1 Sole Source Contracts

8.1.1 Sole Source Contracts for Purchasing with value up to \$500,000


Procurement for values up to USD 1,000,000 that are not from Affiliates can be made by the person responsible for budget without going to tender, although all other contracting and procurement procedures apply.

In addition, a bid waiver and UOC approval is not required in the following cases:

- contracts for research and development, studies, verifications or other special services where the contract value is no greater than USD 100,000
- hiring personnel under a framework or master services agreement where the contract value is no greater than USD 500,000
- call off orders covered by a framework or master services agreement
- purchasing of spare parts under a framework or master services agreement

8.1.2 Sole Source Contracts with value greater than \$1,000,000

A bid waiver and UOC approval is required, except as provided above in Section 8.1.1, if a sole source is proposed for a contract of value greater than \$1,000,000.

JFA
P.S. 

8.2 Affiliate Contracts

8.2.1 Procurement from and Contracting with Affiliates (Affiliates as Supplier/Contractor)

A formal agreement is required for the procurement of goods or services from Affiliates (such as a Technical Services Agreement), and a formal requisition shall be prepared and guidelines for charging costs shall be prepared pursuant to such agreement clarifying the terms of procurement among the Project, the accounting department and the relevant Operator.

For Affiliate contracts/purchase orders no greater than \$1,000,000 approval of the UOC is not required. For Affiliate contracts/purchase orders greater than \$1,000,000 approval of the UOC is required and the UO DM/AM or CM shall be responsible for making any recommendations in this regard to the UOC for approval.

9 Jubilee Contracts Committee (JCC)

The JCC will report to the UOC and review and verify all non-Affiliate tender contracts and purchase orders greater than \$25,000,000 ("Major Contracts") through the above described contracting and procurement process. Upon review and verification by the JCC, such contracts and purchase orders will be submitted to the UOC for approval pursuant to the UUOA.

The JCC will consist of one representative from each of the JCC Parties (as defined in the UUOA to comprise Tullow, Kosmos and Anadarko). Each representative will have extensive major contract/purchasing experience.

The JCC will liaise with the UO C&P Manager from an early stage in the contracting and procurement process so that there is little delay in submitting contracts to the UOC for approval. The UO C&P Manager will advise the JCC of any forthcoming tender inquiries.

The JCC will advise the UO DM/AM or CM of their recommendations and work with the UO DM/AM or CM to address any outstanding issues prior to the submission of the contract to the UOC for approval.

The JCC will meet or teleconference as frequently as required to ensure that there are no delays to providing a contract award recommendation.

10 Contract or Purchase Order Signature

When approved and ready for signature the contracts or purchase orders are to be passed to the Unit Operator, designated under the UUOA, for signature, in accordance with the UO DOA.

11 Amendment and Termination

JFA
P.S. BSN
AM
✍

During the Interim Period, this Document may be amended and/or terminated only by the JOC; and following the Effective Date of the UUOA, this Document may be amended and/or terminated only by the UOC.

12

References

Jubilee Pre-Unit Operating Agreement

Jubilee Unitization and Unit Operating Agreement

Tullow Contracts and Procurement Contracting process Executive Guide
Document Number: TOP-CON-PRO-01-000 Rev 0-1

Ghana Jubilee Field Unit, Unit Operator, Delegation of Authority (also see Exhibit A)

integrated Project Team Contracting and Procurement Policy and Procedure

13

Appendix 1 – UO Award of Non-Affiliate Tendered Contracts /Purchase Orders >\$25,000,000 (“Major Contracts”)

14

Appendix 2– UO AFE Form

15

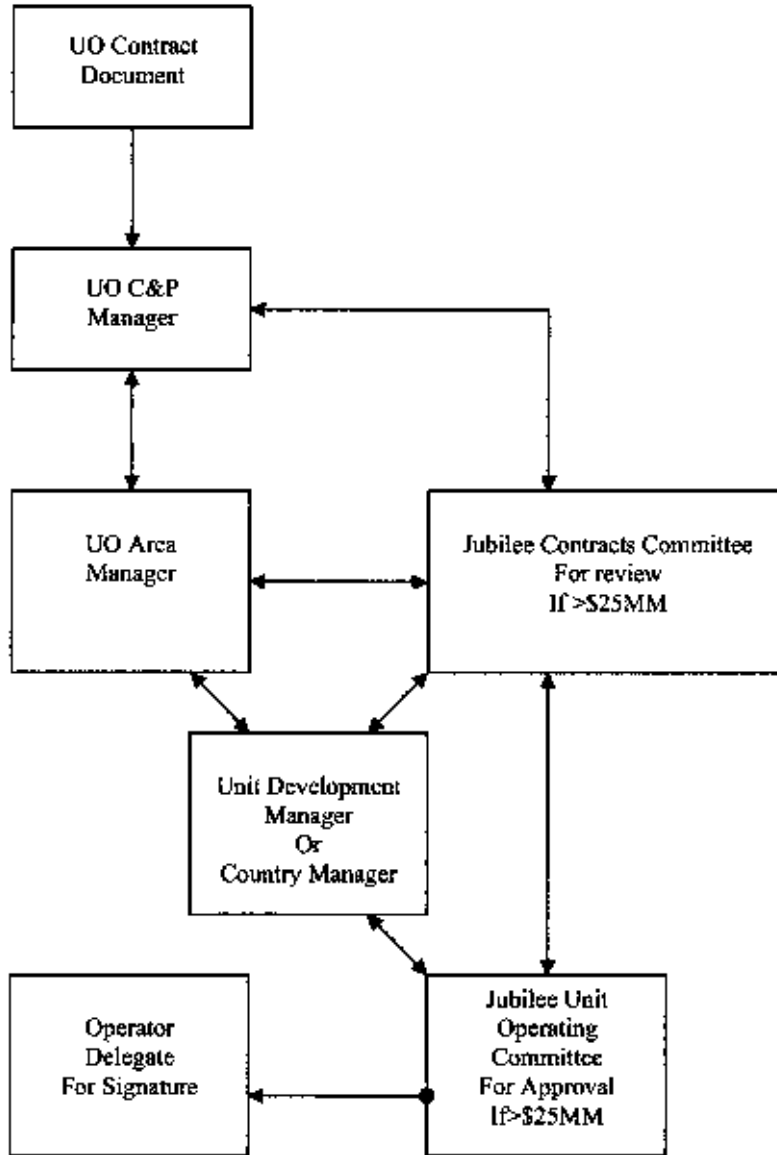
Appendix 3- UO Declaration of Possible Conflict of Interest

16

Exhibit A - Ghana Jubilee Field Unit, Unit Operator, Delegation of Authority

JJA
P.S. ~~DN~~
AM
B

**Appendix 1 – UO Award of Non-Affiliate Tendered Contracts /Purchase Orders
>\$25,000,000 ("Major Contracts")**



P.S. [Signature]

Appendix 2- UO AFE Form

AUTHORISATION FOR EXPENDITURE

LICENCE: JUBILEE FIELD - UNIT AREA

AFE NO:

LOCATION: GHANA

DATE:

OPERATOR: TULLOW GHANA LIMITED

BUDGET YEAR:

CURRENCY:

BUDGET REFERENCE	AFE DESCRIPTION				ESTIMATED COST
	COMMENCEMENT DATE:	A/E	COMPLETION DATE:	E/E	
Description	Detail	Description			0
		TOTAL			

Description:

BUDGET STATUS :

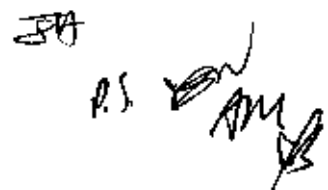
CURRENT BUDGET	0	TOTAL THIS AFE	0
LESS TOTAL AFE'S TO DATE		TOTAL OF PREVIOUS AFE'S	0
BALANCE REMAINING	0	TOTAL TO DATE	0

EXPENDITURE PHASING :

	PRIOR YEARS	CURRENT YEAR - 20xx					FUTURE YEARS	TOTAL
		QTR 1	QTR 2	QTR 3	QTR 4	TOTAL		
THIS REQUEST				0	0	0	0	0
PRIOR REQUESTS						0		0
TOTAL AFE VALUE		0	0	0	0	0	0	0

PARTICIPANT APPROVAL :

PARTICIPANT	%	SHARE OF TOTAL COSTS	AUTHORISED SIGNATURE	DATE
TULLOW GHANA				
KOSMOS				
ANADARKO			Individual block AFEs to be signed as appropriate	
SABRE				
EO GROUP				
TOTAL				



Appendix 3- UO Declaration of Possible Conflict of Interest

GHANA JUBILEE FIELD UNIT

CONFLICT OF INTEREST QUESTIONNAIRE AND DECLARATION FORM

PURPOSE

This document is made a part of the Jubilee Unit Operator Contracting and Procurement Policy and Procedure. The Jubilee Field Unit is being developed by Ghana National Petroleum Corporation, Tullow Ghana Limited, Kosmos Energy Ghana HC, Anadarko WCTP Company, Sabre Oil and Gas Holdings Limited ("Sabre") and EO Group Limited ("EO").

A "conflict of interest" exists whenever an individual's private interests interfere or conflict in any way (or even appear to interfere or conflict) with the interests of the development and operation of the Jubilee Field Unit (referred to herein as the "Jubilee Project"). Any business, financial or other relationship with suppliers (including without limitation, vendors, contractors, subcontractors, and consultants) that might impair or appear to impair the exercise of your judgment solely for the benefit of the Jubilee Project is prohibited.

Any person involved in the Jubilee Project procurement process shall declare in writing, any possible circumstance that could lead to a conflict of interest as soon as he/she becomes aware of it.

Please complete all questions below before signing this document.

- 1.) Do you know of any past, present or possible circumstance involving yourself or a family member that could lead to a conflict of interest?

No, I know of no past, present or possible conflict of interest.

Yes, I will disclose this information below.

- 2.) Do you agree to promptly advise your immediate supervisor if you become aware of any conflict of interest?

Yes, I agree.

No, I do not agree.

- 3.) Do you or any of your family members hold any ownership interests in any company providing services or materials to the Jubilee Project?

Yes.

No, neither I nor any of my family members hold any such interests.

- 4.) Will you disclose all financial and other business relationships you or your family members are involved in with Jubilee suppliers?

Yes, neither I nor any of my family members are involved in any such relationship.

Yes, I will disclose this information below.

No, I will not disclose the information requested.

5.) Do you agree to disclose any outside employment, self-employment or service as an officer, director, partner or consultant for outside organizations that could (1) reduce work efficiency; (2) interfere with your ability to work in the Jubilee Project's best interest; or (3) require you to utilize Jubilee proprietary or confidential information, procedures, plans or techniques?

- Yes, but I do not engage in outside employment, self-employment or serve as an officer, director, partner or consultant for outside organizations.
- Yes, I will disclose this information below.
- No, I will not disclose the information requested.

Disclosure for Items 1, 4, and 5:

Signature:	
Name:	
Company:	
Title:	
Date:	

JFA
P.S. [unclear]
[unclear]
[unclear]

Delegation of Authority
Ghana Jubilee Field
Unit Operator

JA
P.S. *AM* *YB*

Contents

Page 3-4	Guidance Notes for User
Page 5	Authority Levels
Page 6	Budgets
Page 7	Authorisation for Expenditures (AFE's)
Page 8	Operated Commitments
Page 9	Operated Commitments (non-denominated monetary value)
Page 10	General G & A costs
Page 11	Travel Authorisation
Page 12	Invoice Approval
Page 13	Staff and Consultant Matters
Page 14	Payment Approvals

JM
P.S. AM
XS

Introduction

The Joint Operating Committee (JOC) as established by the Jubilee Field Pre-Unitisation Agreement (PUA) dated 22nd February 2008 has enabled you, as one of a number of responsible individuals within the Unit Operator organisation, to incur expenditure on behalf of Ghana Jubilee Field Unit Area project (the Project). The Delegation of Authority document lays down exactly what monetary level has been entrusted to you, and the types of expenditure for which you are held accountable. This note describes the document itself, its purpose and how to use it.

The Delegation of Authority Document

This document outlines the specific authority that you have been given by the JOC and should be read in conjunction with the PUA, the Contracts and Procurement Sub-Committee's Contract and Procurement Procedures and the Unitisation and Unit Operating Agreement (UUOA) once agreed. Once the UUOA is effective, the JOC shall be replaced by the Unit Operating Committee (UOC) and all references in this document to JOC shall be read as referring to the UOC.

The document is not intended to be an onerous procedure but to stand as a vital document for maintaining control of the Project and for the protection of employees entering into transactions for or on behalf of the Project. Without specifically documented and delegated authority from the JOC, any transaction entered into by you on the Project's behalf may have no basis in company law.

The authorities and approval levels set in this Unit Operator DoA documents are provided by the JOC for prudent use by experienced personnel in execution of the project and Operator business, whilst empowering the same individuals to make executive, contractual and budgetary decisions in order to expedite their business in a timely fashion with appropriate and not onerous control. The Unit Operator DoA is analogous to the delegated authority provided to the Integrated Project Team in a separate but similar document, which may be read in conjunction (see ref; x).

Each individual, in consultation with his/her line Manager is responsible for ensuring that he/she has sufficient authority to enter into a transaction. The following should be noted:

1. Individuals can only exercise their commitment authority within their own Approved Budget;
2. Individuals cannot pass on authority temporarily. With prior Level 2 approval an individual can nominate a permanent alternate for absences of more than 2 days. If both an individual and the alternate are unavailable, approvals must be referred upwards.
3. Individuals cannot independently, both authorise a commitment and approve a payment (note distinction from approving for payment).
4. An individual cannot artificially subdivide a transaction to keep within levels of authority.

This authority will arise from a combination of circumstances:

1. An approved budget and AFE (if appropriate) exists and the costs to be incurred are within the approved budget scope

JWA
P.S.
AMM
JTB

2. The terms of the UUOA, and until such time the UUOA is agreed, the Deepwater Tano (DT) JOA and the West Cape Three Points (WCTP) JOA, and DT and WCTP contracts, are complied with
3. The relevant awards and subsequent Contracts/Purchase Orders (PO's)/Service Orders (SO's)/Work Orders (WO's) are prepared and signed off in accordance with the PUA/UUOA Contracts and Procurement Sub-Committee's Contract and Procurement Procedures
4. The goods/services received are of satisfactory standard
5. The invoice approval procedure has been carried out
6. The overall level of funds to be committed is in accordance with the relevant individual's approval level.

Each of these requirements, where relevant, must be satisfied before any individual is authorised to approve a transaction.

This document is not intended to represent the total approval process for all transactions – its principal purpose is to provide a framework within which individuals may approve transactions with reference to their materiality to an individual operation.

The document is approved by the JOC and reviewed at least once a year, after the Project Budget has been set it is maintained by the Unit Operator Ghana Finance Manager.

The document itself is divided into sections, corresponding to the types of transaction for which authority is being delegated (e.g. Budget and AFE approval, Contract/Service Order/Purchase Order execution, invoice approval etc).

Individual Levels

For the purposes of this document the following are the relevant levels for approval and/or signature of transactions and commitments:

- Level 5 - Joint Operating Committee**
- Level 4 - Unit Operator Executive Management**
- Level 3 - Gulf of Guinea Business Unit, Exploration and Finance Manager**
- Level 2 - Country Manager, Development Manager and In-Country Finance Manager**
- Level 1 - Unit Operator line managers**
- Level 0 - Other Ghana**

Each budget has a designated budget holder. A list of current budget holders is included in the relevant budget book.

Change Requests

All requests for amendments to this Delegation of Authority are to be sent in the first instance to Chairman of Accounting Sub-Committee (Rob White) who will collate them for approval by the JOC.

JA
P.I. AM

Authority Levels

Level 5		Level 4	Level 1
<p><u>Field and Unit Area Management</u></p> <p>Joint Operating Committee (JOC)</p>		<p><u>Unit Operator Executive Management</u></p> <p>Chief Operating Officer (P McDade)</p>	<p><u>UO Line Management</u></p> <p>Sub-Surface Manager (D Hanley)</p> <p>Well Engineering Manager – London (B Teggart)</p> <p>Well Engineering Manager (In-Country) (A Dowokpor)</p>
Level 3		Level 2	
<p><u>Business Unit Manager</u></p> <p>(D Jones)</p> <p><u>Exploration Manager</u></p> <p>(R Sutherland)</p> <p><u>Finance Manager</u></p> <p>(R White)</p>		<p><u>Country Manager</u></p> <p>(D Jones / G-J Smulders / K Esson (stand-in))</p> <p><u>Development/Asset Manager</u></p> <p>(S Wheaton)</p> <p><u>In Country Finance Manager</u></p> <p>(R Newcomb)</p>	<p>Project & Facilities Manager (N Hill)</p> <p>Production Operations Manager (K Mutimer)</p> <p>HSE Manager (C Molina)</p> <p>Business Services Manager (tbc)</p> <p>Supply Chain Manager (T Gray and S Sharp) add Nico Hoiting – Takoradi supply base</p> <p>HR Manager (J Young)</p> <p>Commercial Manager (acting) (M Simpson)</p> <p>External Relations Manager (K Esson)</p> <p>Legal Manager (P Sloan + tbc)</p>
Level 0			
<p><u>Individuals to be proposed who report to UO Senior or Line Management to approve invoices, and currently include</u></p> <p>Completions and Testing Manager - M Jobe</p> <p>Drilling Superintendent - Eirik Raude: S Aspden, A Clarke, Chris Roos</p> <p>- Blackford Dolphin: S Zoller, T Hamison</p> <p>Senior Completions Advisor - S Sparke</p> <p>Sub-surface Team Leaders - B Halg, M Allen</p> <p>IT and Premises Manager - J Fenton</p> <p>Other Level 0 personnel to be advised by Level 2 and Level 1 personnel</p>			

P.S. *[Handwritten initials]*
[Handwritten initials]
[Handwritten initials]

Budgets

	AUTHORITY	BUDGET HOLDER	LIMIT US\$
a	Budget Amendments/Revisions	Level 5	No Limit
b	Transfer from Contingent to Firm	Level 5	< Approved Budget

Notes

- 1) Before budget approval is given it is important to ensure that there is compliance with the relevant terms of the appropriate Joint Operating Agreement and Contract.
- 2) Overall Budget Approval must be in place before AFEs are approved.
- 3) Prior year budget carryovers, whilst previously approved by the JOC, must be included in the current year budget for information purposes. Project line items that extend beyond the current budget year require JOC approval before any commitments are entered into or expenditure incurred.
- 4) Whilst the JOC may approve a firm budget in principle, certain aspects of the budget may be subject to an additional technical approval process as may be required expressly and only by the JOC.

To gain approval for the unapproved element of the firm budget, budget revisions or a new proposal a revised budget accompanied by appropriate documentation, should be submitted by the budget holder for JOC approval. Commitments cannot be entered into until such approval has been given.

To ensure accurate tracking of commitments an AFE number should be requested from the Unit Operator Finance Manager (Rob White) prior to approval.

- 5) The Unit Operator functional groups will execute work programmes on behalf of the budget holders. They will execute the technical activity assigned and supervise any contractors used. They must report progress to the budget holder and advise of any cost overruns in a timely manner so that the budget holder can seek supplementary approval. The budget holder retains ultimate responsibility for the budget.

JM
P.S. AM
B

Authorisation for Expenditure (AFE's)

	AUTHORITY	BUDGET HOLDER	LIMIT US\$
a	Authorisation for Expenditure (AFE)	Level 5	> \$1,000,000 up to Approved Budget
b	Authorisation for Expenditure (AFE)	Level 3	<\$1,000,000

Notes

- 1) An approved Budget must be in place before AFE's are raised.
- 2) Approved AFE's will remain open for the duration of a project (i. e. AFE's may be carried over from one budget year to another until the project is completed)
- 3) The AFE provisions and procedures per the relevant Joint Operating Agreement/Contract must be followed, in particular with regard to overruns. AFE overruns may be permitted under the terms of the UUOA which must be consulted in such event.

JJA
 P.S.
 AM
 YB

Operated Commitments

With Third party, not Jubilee Partners' Affiliates

AUTHORITY		BUDGET HOLDER	LIMIT US\$
a	Contracts/PO's/SO's/WO's - Approval to award (within Approved Budget/AFE)	Level 5	>\$25,000,000 ¹
		Level 4	< \$25,000,000
		Level 3	< \$5,000,000
		Level 2	< \$2,500,000 ²
		Level 1	< \$500,000
b	Contracts/PO's/SO's/WO's - Signature (within Approved Budget/AFE) ⁵	Level 2	>\$2,500,000
		Level 1	< \$2,500,000

With Jubilee Partners Affiliates or sole sourced contracts

AUTHORITY		BUDGET HOLDER	LIMIT US\$
a	Contracts/PO's/SO's/WO's - Approval to Award (within Approved Budget/AFE)	Level 5	> \$1,000,000 ³
		Level 3	< \$1,000,000
		Level 2	< \$1,000,000
b	Contracts/PO's/SO's/WO's - Signature (within Approved Budget/AFE)	Level 4	>\$1,000,000
		Level 3	< \$1,000,000
		Level 2	<\$100,000 ⁴

Notes

- 1) Contracts in excess of \$25,000,000 require review by the Jubilee Contract Committee (JCC) and approval by the Joint Operating Committee (JOC).
- 2) Level 2 (Country and Development Manager) Contract/PO/SO/WO approval level is set to enable timely decision making in a major deepwater production & project execution environment.
- 3) Contracts in excess of \$1,000,000 with Jubilee Partner Affiliates or sole sourced contracts require review and approval by the Joint Operating Committee (JOC).
- 4) Provision applies to sole source contracts in-country required in exceptional circumstances which are to be ratified by Level 3
- 5) Commitments may only be entered into when the following conditions are met:
 - a) There exists an approved Budget/AFE with sufficient funds remaining to cover such commitments.
 - b) The Contracts Award Procedure per the relevant JOA has been complied with.
 - c) The Contracts/PO's/SO's/WO's are prepared in accordance with the Contracts and Procurement Sub-Committee procedures.

JJA
 R.S. [unclear]
 AM
 JB

- 6) Only those indicated in the table above and Contracts and Procurement staff may sign Contracts/PO's/SO's/WO's
- 7) See also Unit Operating Agreement Contracts and Procurement Sub-Committee's Contract and Procurement Procedures
- 8) Level 1 assumed to be requisitioning therefore cannot sign contracts.
- 9) Notwithstanding the above, only the Unit Operator and Technical operator employees, officers and directors are authorised to sign Operated commitments

JA
P.S.
AM
B

Operated Contracts (non-denominated monetary value)¹

With Third party and Operator Affiliates

AUTHORITY		BUDGET HOLDER	LIMIT US\$
a	Contracts/Agreements - Approval to sign ¹	Operator Legal counsel	Not applicable
	Contracts/Agreements - Signature	Level 2 - if one or more 'special provisions' ³ Level 1 - if no 'special provisions' ³	Not applicable

- 1) This covers contracts and agreements such as confidentiality agreements (CAs) and Confidentiality Undertakings that do not have a denominated monetary value and are NOT related to a commitment with a monetary value, such as a letter of intent. In other words, authority to sign a letter of intent with respect to a particular commitment is covered by the relevant provisions of the commitment.
- 2) All CA's and other contracts shall be approved by legal counsel
- 3) If a Confidentiality Agreement is used and contains any of the following 'special provisions' then Level 2 approval is required:
 - a. standstill;
 - b. hiring restriction;
 - c. offer-back;
 - d. non-compete;
 - e. area of mutual interest; or
 - f. preferential purchase right

JJA
P. S. Brown
AM

General & Administration Cost Commitments

AUTHORITY		BUDGET HOLDER	LIMIT US\$
a	General G & A costs – Budgeted	Level 4	> \$1,000,000
		Level 3	< \$1,000,000
		Level 2	< \$500,000
		Level 1	< \$100,000
b	General G & A costs – Unbudgeted	Level 4	> \$100,000
		Level 3	< \$100,000
		Level 2	< \$50,000
c	Professional Fees (Legal/Audit/Tax etc.)	Level 4	> \$500,000
		Level 3	< \$500,000
		Level 2	< \$250,000
		Level 1	< \$50,000
d	Employee Expense Claims (excluding flights)	Level 3	> \$25,000
		Level 2	< \$25,000
		Level 1	< \$5,000

Notes

- 1) G&A Budget holders and amounts – to be advised per Budgets
- 2) The Unit Operator organisation may consist of secondees from Jubilee Participating Interest Holders. Staff or Long term consultant contractual employment issues between Jubilee Participating Interest Holders will be dealt with the Participating Interest Holders in accordance with the terms of the UOJA and the Jubilee Participating Interest Holders own corporate policies.
- 3) Any G&A costs related to re-imbursment of Government or GNPC employee travel or other costs must comply with the business ethics and anti-corruption provisions set out in the UOJA.

JPA
 P.S. 15/11
 ATM
 15

Travel Authorisation Requests

AUTHORITY		BUDGET HOLDER	LIMIT US\$
a	Travel – Budgeted	Level 3	No Limit
		Level 2	No Limit
		Level 1	< \$10,000

Notes

- 1) Ensure compliance with the Unit Operator travel policy.
- 2) Any travel costs related to re-imburement of Government or GNPC employee travel or other costs must comply with the business ethics and anti-corruption provisions set out in the UUOA.

JFA
 P.S. YBU
 AM
 B

Invoice Approvals

AUTHORITY	BUDGET HOLDER	LIMIT US\$
a Operations & Project Expenditure - supported by Contract/PO/SO, GRN's, Timesheet	Level 4	< Approved AFE
	Level 3	< \$5,000,000
	Level 2	< \$2,500,000
	Level 1	< \$1,000,000
	Level 0	< \$500,000
b General and Administration costs - supported by contracts/ PO/SO/WO/GRN	Level 4	< Approved AFE
	Level 3	< \$1,000,000
	Level 2	< \$500,000
	Level 1	< \$100,000
- not supported by Contract/PO/SO/GRN	Level 3	< \$50,000
	Level 2	< \$25,000
Professional Fees (Legal/Audit/Tax etc.)	Level 4	< Approved Budget ³
	Level 3	< \$600,000
	Level 2	< \$250,000
	Level 1	< \$50,000

Notes

- 1) Before an invoice is finally approved for payment the following conditions must exist: -
 - a) a valid Contract/PO/SO/WO is in place.
 - b) a Goods/Service Received Note is in place and properly authorised.
 - c) the arithmetical accuracy of the invoice is checked.
 - d) the local accountant/Finance Manager's endorsement is obtained.
- 2) In addition to 1), Professional Fees invoice must also be approved by the appropriate professional with relevant experience within the discipline provided with the service
- 3) JOC approved budget or separate documented approval is required before Level 4 can approve Professional Fee items at this level.

JHA
 P.S. [Signature]
 [Signature]

Staff and Consultant Matters

AUTHORITY		BUDGET HOLDER
a	Hiring Staff/Consultants – Budgeted Non-national National	Level 3 Level 2 (Country Manager only)
b	Hiring Staff/Consultants – Unbudgeted	Level 4
c	Salary/Day rate Review	Level 4
d	Bonus awards	Level 4
e	Contracts of Employment – Signature	Level 2

* As appropriate

Notes


- 1) Permanent staff and consultants contracted for a period greater than 3 months are included as Unit Operator headcount
- 2) An Approval to Increase Headcount form must be completed for all new headcount additions, whether budgeted or unbudgeted. A copy of the completed form must be passed to the Unit Operator Human Resources department.
- 3) The Level 3 and 4 approval should, whenever possible, be obtained from the relevant Unit Operator functional department head/executive director.
- 4) The Unit Operator organisation may consist of secondees from Jubilee Participating Interest Holders. Staff or Long term consultant contractual employment issues between Jubilee Participating Interest Holders will be dealt with the Participating Interest Holders in accordance with the terms of the UUA and the Jubilee Participating Interest Holders own corporate policies.

JJA
P.S. [Signature]
AM
[Signature]

5) Payment Approvals

AUTHORITY		BUDGET HOLDER	LIMIT US\$
a	Telegraphic Transfer	AS PER BANK MANDATES	

- 1) ALL BANK MANDATES ARE MAINTAINED BY THE RELEVANT CORPORATE GROUP TREASURERS
- 2) All payments, including re-imbusement of costs to the Jubilee Participating Interest Holders incurred prior to the UUOA, are to be made to the Unit Operator. The only exception to this is local Dallas G&A IPT Technical operator costs associated with secondeé expenses.

JFB
RSW
P.S. *AM*


ATTACHED TO AND MADE PART OF THE UNITIZATION AND UNIT OPERATING AGREEMENT BY AND BETWEEN GHANA NATIONAL PETROLEUM CORPORATION, TULLOW GHANA LIMITED, KOSMOS ENERGY GHANA HC, ANADARKO WCTP COMPANY, SABRE OIL & GAS HOLDINGS LIMITED, AND EO GROUP LIMITED
(THE "AGREEMENT")

EXHIBIT "U"

DWT JOA

Handwritten signatures and initials in the bottom right corner, including what appears to be 'JPA', 'JPA', and 'JS'.

JOINT OPERATING AGREEMENT

BETWEEN

TULLOW GHANA LIMITED

SABRE OIL AND GAS LIMITED

And

KOSMOS ENERGY GHANA HC

**THE DEEPWATER TANO CONTRACT AREA, OFFSHORE
GHANA**

TABLE OF CONTENTS

	<u>PAGE</u>
ARTICLE I - DEFINITIONS	1
ARTICLE II - EFFECTIVE DATE AND TERM	6
2.1 Effective Date and Term	6
ARTICLE III - SCOPE	7
3.1 Scope.....	7
3.2 Participating Interests.....	8
3.3 Ownership, Obligations and Liabilities.....	8
3.4 GNPC Additional Interest.....	8
ARTICLE IV - OPERATOR	9
4.1 Designation of Operator	9
4.2 Rights and Duties of Operator	9
4.3 Employees of Operator	11
4.4 Information Supplied by Operator.....	11
4.5 Settlement of Claims and Lawsuits.....	12
4.6 Limitation on Liability of Operator.....	12
4.7 Insurance Obtained by Operator.....	13
4.8 Commingling of Funds.....	15
4.9 Resignation of Operator.....	15
4.10 Removal of Operator	15
4.11 Appointment of Successor.....	16
ARTICLE V - OPERATING COMMITTEE	17
5.1 Establishment of Operating Committee.....	17
5.2 Powers and Duties of Operating Committee.....	17
5.3 Authority to Vote.....	17
5.4 Subcommittees.....	17
5.5 Notice of Meeting	18
5.6 Contents of Meeting Notice.....	18
5.7 Location of Meetings	18
5.8 Operator's Duties for Meetings.....	18
5.9 Voting Procedure	19
5.10 Record of Votes	19
5.11 Minutes	19
5.12 Voting by Notice.....	19
5.13 Effect of Vote.....	20
5.14 Management Committee Participation.....	21
ARTICLE VI - WORK PROGRAMS AND BUDGETS	22
6.1 Exploration and Appraisal.....	24
6.2 Development.....	23
6.3 Production.....	24

6.4	Itemization of Expenditures.....	24
6.5	Contract Awards	25
6.6	Authorization for Expenditure ("AFE") Procedure.....	27
6.7	Over Expenditures of Work Programs and Budgets.....	27
ARTICLE VII - OPERATIONS BY LESS THAN ALL PARTIES.....		27
7.1	Limitation on Applicability	27
7.2	Procedure to Propose Exclusive Operations	28
7.3	Responsibility for Exclusive Operations.....	30
7.4	Consequences of Exclusive Operations	31
7.5	Premium to Participate in Exclusive Operations	34
7.6	Order of Preference of Operations.....	34
7.7	Stand-By Costs.....	35
7.8	Use of Property	36
7.9	Miscellaneous	37
ARTICLE VIII - DEFAULT		39
8.1	Default and Notice.....	39
8.2	Operating Committee Meetings and Data.....	39
8.3	Allocation of Defaulted Accounts	40
8.4	Remedies.....	40
8.5	Survival.....	42
8.6	No Right of Set Off.....	42
ARTICLE IX - DISPOSITION OF PRODUCTION.....		43
9.1	Right and Obligation to Take in Kind.....	43
9.2	Offtake Agreement for Crude Oil.....	43
9.3	Separate Agreement for Natural Gas.....	44
ARTICLE X - ABANDONMENT.....		44
10.1	Abandonment of Wells Drilled as Joint Operations	44
10.2	Abandonment of Exclusive Operations	46
10.3	Abandonment Security	46
ARTICLE XI - SURRENDER, EXTENSIONS AND RENEWALS.....		46
11.1	Surrender	46
11.2	Extension of the Term	47
ARTICLE XII - TRANSFER OF INTEREST OR RIGHTS		47
12.1	Obligations.....	47
12.2	Rights	49
ARTICLE XIII - WITHDRAWAL FROM AGREEMENT		49
13.1	Right of Withdrawal	49
13.2	Partial or Complete Withdrawal.....	50
13.3	Rights of a Withdrawing Party.....	50
13.4	Obligations and Liabilities of a Withdrawing Party.....	50
13.5	Emergency	51

13.6	Assignment	52
13.7	Approvals.....	52
13.8	Security	52
13.9	Withdrawal or Abandonment by all Parties	53
ARTICLE XIV - RELATIONSHIP OF PARTIES AND TAX.....		53
14.1	Relationship of Parties.....	53
14.2	Tax	53
14.3	United States Tax Election	54
ARTICLE XV - CONFIDENTIAL INFORMATION.....		55
15.1	Confidential Information	55
15.2	Continuing Obligations.....	56
15.3	Proprietary Technology	56
15.4	Trades.....	56
ARTICLE XVI - FORCE MAJEURE.....		56
16.1	Obligations.....	56
16.2	Definition of Force Majeure	57
ARTICLE XVII - NOTICES		57
17.1	Notices.....	57
ARTICLE XVIII - APPLICABLE LAW AND DISPUTE RESOLUTION.....		58
18.1	Applicable Law.....	58
18.2	Dispute Resolution.....	59
ARTICLE XIX - GENERAL PROVISIONS		60
19.1	Conflicts of Interest	61
19.2	Public Announcements.....	61
19.3	Successors and Assigns	62
19.4	Waiver.....	62
19.5	Severance of Invalid Provisions	62
19.6	Modifications	62
19.7	Headings.....	62
19.8	Singular and Plural.....	62
19.9	Gender.....	62
19.10	Counterpart Execution.....	63
19.11	Warranties as to Payments, Gifts and Loans.....	63
19.12	Entirety.....	63
19.13	Rights of Third Parties	63
Signature Page		64
Exhibit "A" - Accounting Procedure		65

JOINT OPERATING AGREEMENT

THIS AGREEMENT, executed this 1st day of August 2006, is made as of the Effective Date among:

- (1) TULLOW GHANA LIMITED, a company incorporated in Jersey, Channel Islands with its registered office at PO Box 532, Channel House, Green Street, St Helier, Jersey, Channel Islands, JE4 5LW; (hereinafter referred to as "Tullow");
- (2) SABRE OIL AND GAS LIMITED, a company incorporated in Scotland with its registered office at 4 Rubislaw Place, Aberdeen, Scotland, AB10 1XN (hereinafter referred to as "Sabre"); and
- (3) KOSMOS ENERGY GHANA HC, a company duly organized and registered in the Cayman Islands with its registered office at P. O. Box 1350 GT, Clifton House, 75 Fort Street, George Town, Grand Cayman, Cayman Islands (hereinafter referred to as "Kosmos").

WITNESSETH:

WHEREAS, Tullow, Sabre and Kosmos have entered into a Petroleum Agreement dated March 10th 2006 with the Ghana National Petroleum Corporation (hereinafter referred to as "GNPC") and the government of the Republic of Ghana (hereinafter referred to as the "State") covering the Deepwater Tano Block, offshore Ghana; and

WHEREAS, the Parties desire to define their respective rights and obligations with respect to each other and the operations under the Contract,

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements and obligations set out below and to be performed, the Parties agree as follows:

ARTICLE I - DEFINITIONS

As used in this Agreement, the following words and terms shall have the meaning ascribed to them below:

- 1.1 **Accounting Procedure** means the rules, provisions and conditions set forth and contained in Exhibit A to this Agreement.
- 1.2 **AFE** means an authorization for expenditure pursuant to Article 6.6.
- 1.3 **Affiliate** means, in relation to any Party, a company, partnership, person, persons or other legal entity which controls, or is controlled by, or which is controlled by an entity which controls, a Party. **Control** means the ownership directly or indirectly of more than fifty percent (50%) of the voting rights in a company, partnership or legal entity.

- 1.4 **Agreed Interest Rate** means interest compounded on a monthly basis, at the rate per annum equal to the one (1) month term, London Interbank Offered Rate (LIBOR rate) for U.S. dollar deposits, as published by the Financial Times of London, plus three (3) percentage points, applicable on the first Business Day prior to the due date of payment and thereafter on the first Business Day of each succeeding calendar month. If the aforesaid rate is contrary to any applicable usury law, the rate of interest to be charged shall be the maximum rate permitted by such applicable law.
- 1.5 **Agreement** means this agreement, together with the Exhibits attached to this agreement, and any extension, renewal or amendment hereof agreed to in writing by the Parties.
- 1.6 **Appraisal Well** means any well (other than an Exploration Well or a Development Well) whose purpose at the time of commencement of drilling such well is to appraise the extent or the volume of Hydrocarbon reserves contained in an existing Discovery.
- 1.7 **Barrel** means a quantity consisting of forty-two (42) United States gallons, corrected to a temperature of sixty (60) degrees Fahrenheit under one (1) atmosphere of pressure.
- 1.8 **Block** means the Deepwater Tano area offshore Ghana, being the Contract Area as defined by Article 1.14 of the Contract.
- 1.9 **Business Day** means a day on which the banks in London and New York are customarily open for business.
- 1.10 **Calendar Quarter** means a period of three (3) months commencing with January 1 and ending on the following March 31, a period of three (3) months commencing with April 1 and ending on the following June 30, a period of three (3) months commencing with July 1 and ending on the following September 30, or a period of three (3) months commencing with October 1 and ending on the following December 31 according to the Gregorian Calendar.
- 1.11 **Calendar Year** means a period of twelve (12) months commencing with January 1 and ending on the following December 31 according to the Gregorian Calendar.
- 1.12 **Cash Premium** means the payment made pursuant to Article 7.5(B) by a Non-Consenting Party to reinstate its rights to participate in an Exclusive Operation.
- 1.13 **Commercial Discovery** means any Discovery which the Contractor (as defined in the Contract) declares to be a Commercial Discovery pursuant to Article 8.8 of the Contract.
- 1.14 **Completion** means an operation intended to complete a well through the Christmas Tree (defined as a manifold or arrangement of pipe work connections and valves which is installed on the wellhead prior to production) as a producer of Hydrocarbons in one or more Zones, including, but not limited to, the setting of production casing, perforating, stimulating the well and production Testing conducted in such operation. Complete and other derivatives shall be construed accordingly.

- 1.15 **Consenting Party** means a Party who agrees to participate in and pay its share of the cost of an Exclusive Operation.
- 1.16 **Contract** means the Petroleum Agreement concluded between GNPC, the State and the Parties identified in the recitals of this Agreement and any extension, renewal or amendment thereof agreed to in writing by the Parties and those laws, statutes, rules and regulations (including the Petroleum Law and the Petroleum Income Tax Law) with respect to the exploration, development and production of Hydrocarbons that govern such instrument or are incorporated by the terms of such instrument.
- 1.17 **Contract Area** has the meaning given in the Contract.
- 1.18 **Day** means a calendar day unless otherwise specifically provided.
- 1.19 **Default Notice** shall have the meaning ascribed in Article 8.1.
- 1.20 **Defaulting Party** shall have the meaning ascribed in Article 8.1.
- 1.21 **Deepening** means an operation whereby a well is drilled to an objective Zone below the deepest Zone in which the well was previously drilled, or below the deepest Zone proposed in the original well proposal (in the approved work programme and budget) or in the associated AFE, whichever is the deeper. Deepen and other derivatives shall be construed accordingly.
- 1.22 **Development Plan** means a plan for the development of Hydrocarbons from an Exploitation Area.
- 1.23 **Development Well** means any well drilled for the production of Hydrocarbons pursuant to a Development Plan.
- 1.24 **Discovery** means the discovery of an accumulation of Hydrocarbons whose existence until that moment was unproven by drilling.
- 1.25 **Effective Date** means the date this Agreement comes into effect as stated in Article II.
- 1.26 **Entitlement** means a quantity of Hydrocarbons of which a Party has the right and obligation to take delivery pursuant to the Contract or, if applicable, an offtake agreement, and the terms of this Agreement, after adjustment for overlifts and underlifts.
- 1.27 **Exclusive Operation** means those operations and activities carried out pursuant to this Agreement, the costs of which are chargeable to the account of less than all the Parties.
- 1.28 **Exclusive Well** means a well drilled pursuant to an Exclusive Operation.

- 1.29 **Exploitation Area** means that part of the Contract Area which is established for development of a Commercial Discovery pursuant to the Contract or if the Contract does not establish an exploitation area, then that part of the Contract Area which is delineated as the exploitation area in a Development Plan approved as a Joint Operation or as an Exclusive Operation.
- 1.30 **Exploitation Period** means any and all periods of exploitation during which the production and removal of Hydrocarbons is permitted under the Contract.
- 1.31 **Exploration Period** means any and all periods of exploration set out in the Contract.
- 1.32 **Exploration Well** has the meaning given in the Contract.
- 1.33 **G & G Data** means only geological, geophysical and geochemical data and other similar information that is not obtained through a well bore.
- 1.34 **Government** means the Government of The Republic of Ghana, including any state or municipal government or authority within Ghana, and any political subdivision or agency or instrumentality thereof, including without limitation GNPC.
- 1.35 **Gross Negligence** means any act or failure to act (whether sole, joint or concurrent) by any person or entity which was intended to cause, or which was in reckless disregard of or wanton indifference to, harmful consequences such person or entity knew, or should have known, such act or failure would have on the safety or property of another person or entity, but shall not include any error or judgement or mistake by any director, employee, agent or contractor of such person or entity (including its Affiliates when acting for and on behalf of such person or entity) in the exercise, in good faith, of any function, authority or discretion conferred upon such person or entity.
- 1.36 **Hydrocarbons** means all substances including liquid and gaseous hydrocarbons which are subject to and covered by the Contract.
- 1.37 **Joint Account** means the accounts maintained by Operator in accordance with the provisions of this Agreement and of the Accounting Procedure for Joint Operations.
- 1.38 **Joint Management Committee or JMC** means the committee established pursuant to Article 6.1 of the Contract.
- 1.39 **Joint Operations** means those operations and activities carried out by Operator pursuant to this Agreement, the costs of which are chargeable to all Parties.
- 1.40 **Joint Property** means, at any point in time, all wells, facilities, equipment, materials, information, funds and the property held for use in Joint Operations.

- 1.41 **Minimum Work Obligations** means those work and/or expenditure obligations specified in the Contract which must be performed during the then current Contract phase or period in order to satisfy the obligations of the Contract.
- 1.42 **Non-Consenting Party** means a Party who elects not to participate in an Exclusive Operation.
- 1.43 **Non-Operator(s)** means the Party or Parties to this Agreement other than Operator.
- 1.44 **Operating Committee** means the committee constituted in accordance with Article V.
- 1.45 **Operator** means a Party to this Agreement designated as such in accordance with this Agreement.
- 1.46 **Participating Interest** means the undivided percentage interest of each Party in the rights and obligations derived from the Contract and this Agreement, but in each case without taking into account, or adjusting for, either the Initial Interest of GNPC, or the Additional Interest (if any) of GNPC, as provided for in the Contract.
- 1.47 **Party** means any of the entities named in the first paragraph to this Agreement and any respective permitted successors or assigns and "Parties" means all of them.
- 1.48 **Petroleum Income Tax Law** means the Petroleum Income Tax Law, 1987 (PNDCL 188).
- 1.49 **Petroleum Law** means the Petroleum (Exploration and Production) Law, 1984 (PNDCL 84).
- 1.50 **Plugging Back** means a single operation whereby a deeper Zone is abandoned in order to attempt a Completion in a shallower Zone. Plug Back and other derivatives shall be construed accordingly.
- 1.51 **Production Period** means any and all periods of exploitation during which the production and removal of Hydrocarbons is permitted under the Contract.
- 1.52 **Recompletion** means an operation whereby a Completion in one Zone is abandoned in order to attempt a Completion in a different Zone within the existing wellbore. Recomplete and other derivatives shall be construed accordingly.
- 1.53 **Reworking** means an operation conducted in the wellbore of a well after it is Completed to secure, restore, or improve production in a Zone which is currently open to production in the wellbore. Such operations include, but are not limited to, well stimulation operations, but exclude any routine repair or maintenance work, or drilling, Sidetracking, Deepening, Completing, Recompleting, or Plugging Back of a well. Rework and other derivatives shall be construed accordingly.

1.54 **Senior Supervisory Personnel** means with respect to a Party, any individual who functions as such Party's designated manager, responsible for or in charge of installations or facilities, onsite drilling, construction or production and related operations, or any other field operations), and any individual who functions for such Party or one of its Affiliates at a management level equivalent to or superior to that described , or any officer or director of such Party or one of its Affiliates.

In the case of drilling operations, such individual will be the person who coordinates and manages the drilling operations and related services from the shore.

1.55 **Sidetracking** means the directional control and intentional deviation of a well from vertical so as to change the bottom hole location unless done to straighten the hole or to drill around junk in the hole or to overcome other mechanical difficulties. Sidetrack and other derivatives shall be construed accordingly.

1.56 **Testing** means an operation intended to evaluate the capacity of a Zone to produce Hydrocarbons. Test and other derivatives shall be construed accordingly.

1.57 **Work Program and Budget** means a work program for Joint Operations and budget therefor as described and approved in accordance with Article VI.

1.58 **Zone** means a stratum of earth containing or thought to contain an accumulation of Hydrocarbons separately producible from any other accumulation of Hydrocarbons.

ARTICLE II - EFFECTIVE DATE AND TERM

2.1 This Agreement shall be effective as of the Effective Date of the Contract, as defined therein, and shall continue in effect until the Contract terminates and all materials, equipment and personal property used in connection with the Joint Operations have been removed and disposed of, and final settlement has been made among the Parties.

Notwithstanding the preceding sentence:

- (A) Article X shall remain in effect until all wells have been properly abandoned; and
- (B) Article 4.5 and Article XVIII shall remain in effect until all obligations, claims, arbitrations and lawsuits have been settled or otherwise resolved.

Termination of this Agreement shall not relieve any Party from liabilities which have accrued or been incurred prior to the date of termination.

ARTICLE III - SCOPE

3.1 Scope

- (A) The purpose of this Agreement is to establish the respective rights and obligations of the Parties with regard to operations under the Contract, including without limitation the joint exploration, appraisal, development and production of Hydrocarbon reserves from the Contract Area.
- (B) Without limiting the generality of Article 3.1(A), the following activities are outside of the scope of this Agreement and are not addressed herein:
 - (1) Construction, operation, maintenance, repair and removal of facilities downstream from the point of delivery of the Parties' shares of Hydrocarbons under the offtake agreement provided for in Article 9.2;
 - (2) Transportation of Hydrocarbons beyond the point of delivery of the Parties' shares of Hydrocarbons under the offtake agreement provided for in Article 9.2;
 - (3) Marketing and sales of Hydrocarbons, except as expressly provided in Articles 7.5, 7.11(E) and 8.4 and in Article IX;
 - (4) Acquisition of rights to explore for, appraise, develop or produce Hydrocarbons outside of the Contract Area (other than as a consequence of unitization with an adjoining contract area under the terms of the Contract); and
 - (5) Exploration, appraisal, development or production of minerals other than Hydrocarbons, whether inside or outside of the Contract Area.
 - (6) Financing raised by any Party for its share of the cost of Joint Operations

3.2 Participating Interests

- (A) The Participating Interests of the Parties as of the Effective Date are:

Tullow	55.5 %
Sabre	4.5 %
Kosmos	40.0 %

- (B) If a Party transfers all or part of its Participating Interest pursuant to the provisions of this Agreement and the Contract, the Participating Interests of the Parties shall be revised accordingly.

- (C) The Parties recognise the rights of GNPC under Article 2.4 of the Contract pursuant to which GNPC has a ten percent (10 %) participating interest in all petroleum operations under the Contract, and under Article 2.5 of the Contract pursuant to which GNPC has a right to acquire an additional five percent (5 %) participating interest in all petroleum operations under the Contract.

3.3 Ownership, Obligations and Liabilities

- (A) Unless otherwise provided in this Agreement, all the rights and interests in and under the Contract, all Joint Property and any Hydrocarbons produced from the Contract Area shall, subject to the terms of the Contract, be owned by the Parties in accordance with their respective Participating Interests.
- (B) Unless otherwise provided in this Agreement, the obligations of the Parties under the Contract and all liabilities and expenses incurred by Operator in connection with Joint Operations shall be charged to the Joint Account and all credits to the Joint Account shall be shared by the Parties, as among themselves, in accordance with their respective Participating Interests.
- (C) Each Party shall pay when due, in accordance with the Accounting Procedure, its Participating Interest share of Joint Account expenses, including cash advances and interest, accrued pursuant to this Agreement. The Parties agree that time is of the essence for payments owing under this Agreement. A Party's payment of any charge under this Agreement shall be without prejudice to its right to later contest the charge.

3.4 GNPC Additional Interest

If GNPC elects to acquire an Additional Interest as contemplated in Article 3.2 (c) and as defined in the Contract, pursuant to Article 2.5 of the Contract, the Parties shall contribute, in proportion to their respective Participating Interests, to the Additional Interest to be acquired by GNPC and shall execute such documents as may be necessary to effect such transfers of interests. All payments received for the acquisition of such interests shall be credited to the Parties (other than GNPC in the event that GNPC becomes a party to this Agreement) in proportion to their Participating Interests.

ARTICLE IV - OPERATOR

4.1 Designation of Operator

Tullow is designated as Operator, and agrees to act as such in accordance with the terms and conditions of the Contract and this Agreement, which terms and conditions shall apply to any successor operator.

4.2 **Rights and Duties of Operator**

- (A) Subject to the terms and conditions of this Agreement, Operator shall have all of the rights, functions and duties of Operator under the Contract and shall have exclusive charge of and shall conduct all Joint Operations. Operator may employ independent contractors and/or agents (which may include Affiliates of Operator) in such Joint Operations.
- (B) In the conduct of Joint Operations, Operator shall:
- (1) Perform Joint Operations in accordance with the provisions of the Contract, this Agreement and the instructions of the Operating Committee not in conflict with this Agreement;
 - (2) Conduct all Joint Operations in a diligent, safe and efficient manner in accordance with good and prudent oil field practices and conservation principles generally followed by the international petroleum industry under similar circumstances;
 - (3) Subject to Article 4.6 and the Accounting Procedure, neither gain a profit nor suffer a loss as a result of being the Operator in its conduct of Joint Operations, provided that Operator may rely upon Operating Committee approval of specific accounting practices not in conflict with the Accounting Procedure;
 - (4) Perform the duties for the Operating Committee set out in Article V, and prepare and submit to the Operating Committee the proposed Work Programs, Budgets and AFEs as provided in Article VI;
 - (5) Acquire all permits, consents, approvals, surface or other rights that may be required for or in connection with the conduct of Joint Operations;
 - (6) Upon receipt of reasonable advance notice, permit the representatives of any of the Parties to have at all reasonable times and at their own risk and expense reasonable access to the Joint Operations with the right to observe all such Joint Operations and to inspect all Joint Property and to conduct financial audits as provided in the Accounting Procedure;
 - (7) Maintain the Contract in full force and effect to the full extent possible in accordance with such good and prudent petroleum industry practices as are generally followed by operators in the international petroleum industry under similar circumstances. Operator shall, in a timely manner, promptly pay and discharge all liabilities and expenses incurred in connection with Joint Operations and use its reasonable efforts to keep and maintain the Joint Property free from all liens, charges and encumbrances arising out of Joint Operations;

- (8) Pay to the Government for the Joint Account, within the periods and in the manner prescribed by the Contract and all applicable laws and regulations, including the Petroleum Law, all periodic payments, royalties, taxes, fees and other payments pertaining to Joint Operations, but excluding any taxes measured by the incomes of the Parties;
- (9) Carry out the obligations of Operator pursuant to the Contract, including, but not limited to, preparing and furnishing such reports, records and information as may be required pursuant to the Contract;
- (10) Have in accordance with the decisions of the Operating Committee, the exclusive right and obligation to represent the Parties in all dealings with the Government with respect to matters arising under the Contract and Joint Operations, provided always that the Contractor as defined in the Contract shall be entitled to appoint up to four representatives on the Joint Management Committee as defined in Article 6.1 of the Contract. Operator shall notify the other Parties as soon as possible of such meetings. Non-Operators shall have the right to attend such meetings but only in the capacity of observers except where one of their representatives has been appointed by the Contractor as a representative of the Contractor on the Joint Management Committee. Nothing contained in this Agreement shall restrict any Party from holding discussions with the Government or with GNPC with respect to any issue peculiar to its particular business interests arising under the Contract or this Agreement, but in such event such Party shall promptly advise the Parties, if possible, before and in any event promptly after such discussions, provided that such Party shall not be required to divulge to the Parties any matters discussed to the extent the same involve proprietary information on matters not affecting the Parties;
- (11) Take all necessary and proper measures for the protection of life, health, the environment and property; provided, however, that in the case of an emergency, Operator shall immediately notify the Parties of the details of such emergency and measures; and
- (12) Include, to the extent practical, in its contracts with independent contractors and to the extent lawful, provisions which:
 - (a) establish that such contractors can only enforce their contracts against Operator;
 - (b) permit Operator, on behalf of itself and Non-Operators, to enforce contractual indemnities against, and recover losses and damages suffered by them (insofar as recovered under their contracts) from, such contractors; and

- (c) require such contractors to take insurance required by Article 4.7 (F).

4.3 Employees of Operator

Subject to the Contract and this Agreement, Operator shall determine the number of employees, the selection of such employees, the hours of work and the compensation to be paid all such employees in connection with Joint Operations. Operator shall employ only such employees, agents and contractors as required by good oil field practice and as are reasonably necessary to conduct Joint Operations.

4.4 Information Supplied by Operator

- (A) Operator shall provide Non-Operators the following data and reports as they are currently produced or compiled from the Joint Operations:

- (1) Copies of all logs or surveys;
- (2) Daily drilling progress reports;
- (3) Copies of all Tests and core analysis reports;
- (4) Copies of the plugging reports;
- (5) Copies of the final geological and geophysical maps and reports;
- (6) Engineering studies, development schedules and annual progress reports on development projects;
- (7) Field and well performance reports, including reservoir studies and reserve estimates;
- (8) Copies of all reports relating to Joint Operations furnished by Operator to the Government or GNPC as the case may be, except magnetic tapes which shall be stored by Operator and made available for inspection and/or copying at the sole expense of the Non-Operator requesting same;
- (9) Other reports as frequently as is justified by the activities or as instructed by the Operating Committee; and
- (10) Subject to Article 15.3, such additional information for Non-Operators as they or any of them may request, provided that the requesting Party or Parties pay the costs of preparation of such information and that the preparation of such information will not unduly burden Operator's administrative and technical personnel. Only Non-Operators who pay such costs shall receive such additional information.

- (B) Operator shall give Non-Operators access at all reasonable times to all other data acquired in the conduct of Joint Operations. Any Non-Operator may make copies of such other data at its sole expense.

4.5 Settlement of Claims and Lawsuits

- (A) Operator shall promptly notify the Parties of any and all material claims or suits and such other claims and suits as the Operating Committee may direct which arise out of Joint Operations or relate in any way to Joint Operations. Operator shall represent the Parties and defend or oppose the claim or suit. Operator may in its sole discretion compromise or settle any such claim or suit or any related series of claims or suits for an amount not to exceed the equivalent of U.S. dollars five hundred thousand (U.S. \$500,000) exclusive of legal fees. Operator shall obtain the approval and direction of the Operating Committee on amounts in excess of the above stated amount. Each Non-Operator shall have the right to be represented by its own counsel at its own expense in the settlement, compromise or defense of such claims or suits.
- (B) Any Non-Operator shall promptly notify the other Parties of any claim made against such Non-Operator by a third party which arises out of or may affect the Joint Operations, and such Non-Operator shall defend or settle the same in accordance with any directions given by the Operating Committee. Those costs, expenses and damages incurred pursuant to such defense or settlement which are attributable to Joint Operations shall be for the Joint Account.
- (C) Notwithstanding Article 4.5(A) and Article 4.5(B), each Party shall have the right to participate in any such suit, prosecution, defense or settlement conducted in accordance with Article 4.5(A) and Article 4.5(B) at its sole cost and expense; provided always that no Party may settle its Participating Interest share of any claim without first satisfying the Operating Committee that it can do so without prejudicing the interests of the Joint Operations.

4.6 Limitation on Liability of Operator

- (A) EXCEPT AS SET OUT IN THIS ARTICLE 4.6 NEITHER THE PARTY DESIGNATED AS OPERATOR NOR ANY OTHER INDEMNITEE (AS DEFINED BELOW) SHALL BEAR (EXCEPT AS A PARTY TO THE EXTENT OF ITS PARTICIPATING INTEREST SHARE) ANY DAMAGE, LOSS, COST, EXPENSE OR LIABILITY RESULTING FROM PERFORMING (OR FAILING TO PERFORM) THE DUTIES AND FUNCTIONS OF THE OPERATOR, AND THE INDEMNITEES ARE HEREBY RELEASED FROM LIABILITY TO NON-OPERATORS FOR ANY AND ALL DAMAGES, LOSSES, COSTS, EXPENSES AND LIABILITIES ARISING OUT OF, INCIDENT TO OR RESULTING FROM SUCH PERFORMANCE OR FAILURE TO PERFORM, EVEN THOUGH CAUSED IN WHOLE OR IN PART BY A PRE-EXISTING DEFECT, THE NEGLIGENCE (WHETHER SOLE, JOINT OR CONCURRENT), GROSS NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL FAULT OF OPERATOR (OR ANY SUCH INDEMNITEE).

- (B) EXCEPT AS SET OUT IN THIS ARTICLE 4.6, THE PARTIES SHALL IN PROPORTION TO THEIR PARTICIPATING INTERESTS DEFEND AND INDEMNIFY OPERATOR AND ITS AFFILIATES, AND THE OFFICERS AND DIRECTORS OF BOTH (COLLECTIVELY, THE "INDEMNITEES"), FROM ANY AND ALL DAMAGES, LOSSES, COSTS, EXPENSES (INCLUDING REASONABLE LEGAL COSTS, EXPENSES AND ATTORNEYS' FEES) AND LIABILITIES INCIDENT TO CLAIMS, DEMANDS OR CAUSES OF ACTION BROUGHT BY OR ON BEHALF OF ANY PERSON OR ENTITY, WHICH CLAIMS, DEMANDS OR CAUSES OF ACTION ARISE OUT OF, ARE INCIDENT TO OR RESULT FROM JOINT OPERATIONS, EVEN THOUGH CAUSED IN WHOLE OR IN PART BY A PRE-EXISTING DEFECT, THE NEGLIGENCE (WHETHER SOLE, JOINT OR CONCURRENT), GROSS NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL FAULT OF OPERATOR (OR ANY SUCH INDEMNITEE).
- (C) Nothing in this Article 4.6 shall be deemed to relieve the Party designated as Operator from its Participating Interest share of any damage, loss, cost, expense or liability arising out of, incident to or resulting from Joint Operations.
- (D) Notwithstanding the foregoing provisions of this Article 4.6, but subject to Article 4.6 (E), Operator shall be liable to Non-Operators for any damage, loss, cost, expense or liability, caused by the Gross Negligence of its Senior Supervisory Personnel.
- (E) NOTWITHSTANDING THE FOREGOING, UNDER NO CIRCUMSTANCES SHALL ANY INDEMNITEE (EXCEPT AS A PARTY TO THE EXTENT OF ITS PARTICIPATING INTEREST) BEAR ANY DAMAGES, LOSS, COST, EXPENSE OR LIABILITY FOR ENVIRONMENTAL, CONSEQUENTIAL, PUNITIVE OR ANY OTHER SIMILAR INDIRECT DAMAGES OR LOSSES, INCLUDING BUT NOT LIMITED TO THOSE ARISING FROM BUSINESS INTERRUPTION, RESERVOIR OR FORMATION DAMAGE, INABILITY TO PRODUCE HYDROCARBONS, LOSS OF PROFITS, POLLUTION CONTROL AND ENVIRONMENTAL AMELIORATION OR REHABILITATION.

4.7 Insurance Obtained by Operator

- (A) Operator shall procure and maintain or cause to be procured and maintained for the Joint Account all insurance in the types and amounts required by the Contract and applicable laws, rules and regulations.
- (B) Operator shall obtain such further insurance, at competitive rates, as the Operating Committee may from time to time require.
- (C) Any Party may elect not to participate in the insurance to be procured under Article 4.7(B) provided such Party:

- (1) gives prompt notice to that effect to Operator;
 - (2) does nothing which may interfere with Operator's negotiations for such insurance for the other Parties; and
 - (3) obtains and maintains such insurance (in respect of which an annual certificate of adequate coverage from a reputable insurance broker shall be sufficient evidence) or other evidence of financial responsibility which fully covers its Participating Interest share of the risks that would be covered by the insurance procured under Article 4.7 (B), and which the Operating Committee may determine to be acceptable. No such determination of acceptability shall in any way absolve a non-participating Party from its obligation to meet each cash call including any cash call in respect of damages and losses and/or the costs of remedying the same in accordance with the terms of this Agreement. If such Party obtains other insurance, such insurance shall contain a waiver of subrogation in favor of all the other Parties, the Operator and their insurers but only in respect of their interests under this Agreement.
- (D) The cost of insurance in which all the Parties are participating shall be for the Joint Account and the cost of insurance in which less than all the Parties are participating shall be charged to the Parties participating in proportion to their respective Participating Interests.
- (E) Operator shall, in respect of all insurance obtained pursuant to this Article 4.7:
- (1) promptly inform the participating Parties when such insurance is obtained and supply them with certificates of insurance or copies of the relevant policies when the same are issued;
 - (2) arrange for the participating Parties, according to their respective Participating Interests, to be named as co-insureds on the relevant policies with waivers of subrogation in favor of all the Parties; and
 - (3) duly file all claims and take all necessary and proper steps to collect any proceeds and credit any proceeds to the participating Parties in proportion to their respective Participating Interests.
- (F) Operator shall use its reasonable efforts to require all contractors performing work in respect of Joint Operations to obtain and maintain any and all insurance in the types and amounts required by any applicable laws, rules and regulations or any decision of the Operating Committee and shall use its reasonable efforts to require all such contractors to name the Parties as additional insureds on such contractors' insurance policies or to obtain from their insurers waivers of all rights of recourse against Operator, Non-Operators and their insurers.

4.8 Commingling of Funds

Operator may commingle with its own funds the monies which Operator receives from or for the Joint Account pursuant to this Agreement. Notwithstanding that monies of a Non-Operator have been commingled with Operator's funds, the Operator shall account to the Non-Operators for the monies of a Non-Operator advanced or paid to Operator, whether for the conduct of Joint Operations or as proceeds from the sale of production under this Agreement. Such monies shall be applied only to their intended use and shall in no way be deemed to be funds belonging to Operator.

4.9 Resignation of Operator

Subject to Article 4.11, Operator may resign as Operator at any time by so notifying the other Parties at least one hundred and twenty (120) Days prior to the effective date of such resignation.

4.10 Removal of Operator

(A) Subject to Article 4.11, Operator shall be removed upon receipt of notice from any Non-Operator if:

- (1) An order is made by a court or an effective resolution is passed for the reorganization under any bankruptcy law, dissolution, liquidation, or winding up of Operator;
- (2) Operator dissolves, liquidates, is wound up, or otherwise terminates its existence;
- (3) Operator becomes insolvent, bankrupt or makes an assignment for the benefit of creditors; or
- (4) A receiver is appointed for a substantial part of Operator's assets.

(B) Subject to Article 4.11, Operator may be removed by the decision of the Non-Operators if Operator has committed a material breach of this Agreement and has either failed to commence to cure that breach within thirty (30) Days of receipt of a notice from Non-Operators detailing the alleged breach or failed to diligently pursue the cure to completion. Any decision of Non-Operators to give notice of breach to Operator or to remove Operator under this Article 4.10(B) shall be made by an affirmative vote of Non-Operators holding a combined Participating Interest of at least sixty seven percent (67 %) of the Participating Interests of the Non-Operators.

(C) If Operator together with any Affiliate of Operator becomes the holder of a Participating Interest of less than ten per cent (10%), then, provided that there is a Non-Operator acceptable to the Government, and to GNPC, as successor Operator which together with its Affiliates at that time holds a Participating Interest of not

less than twenty percent (20%), Operator shall be required to promptly notify the other Parties. The Operating Committee shall then vote within thirty (30) Days of such notification on whether or not a successor Operator should be named pursuant to Article 4.11.

4.11 Appointment of Successor

When a change of Operator occurs pursuant to Article 4.9 or Article 4.10:

- (A) The Operating Committee shall meet as soon as possible to appoint a successor Operator pursuant to the voting procedure of Article 5.9. However, no Party may be appointed successor Operator against its will.
- (B) If the Operator disputes commission of or failure to rectify a material breach alleged pursuant to Article 4.10(B) and proceedings are initiated pursuant to Article XVIII, no successor Operator may be appointed pending the conclusion or abandonment of such proceedings, subject to the terms of Article 8.3 with respect to Operator's breach of its payment obligations.
- (C) If an Operator is removed, other than in the case of Article 4.10(C), neither Operator nor any Affiliate of Operator shall have the right to vote for itself on the appointment of a successor Operator, nor be considered as a candidate for the successor Operator.
- (D) A resigning or removed Operator shall be compensated out of the Joint Account for its reasonable expenses directly related to its resignation or removal, except in the case of Article 4.10(B).
- (E) The resigning or removed Operator and the successor Operator shall arrange for the taking of an inventory of all Joint Property and Hydrocarbons, and an audit of the books and records of the removed Operator. Such inventory and audit shall be completed, if possible, no later than the effective date of the change of Operator and shall be subject to the approval of the Operating Committee. The liabilities and expenses of such inventory and audit shall be charged to the Joint Account.
- (F) The resignation or removal of Operator and its replacement by the successor Operator shall not become effective prior to receipt of any necessary Government approvals.
- (G) Upon the effective date of the resignation or removal, the successor Operator shall succeed to all duties, rights and authority prescribed for Operator. The former Operator shall transfer to the successor Operator custody of all Joint Property, books of account, records and other documents maintained by Operator pertaining to the Contract Area and to Joint Operations. Upon delivery of the above-described property and data, the former Operator shall be released and discharged from all obligations and liabilities as Operator accruing after such date.

ARTICLE V - OPERATING COMMITTEE

5.1 Establishment of Operating Committee

To provide for the overall supervision and direction of Joint Operations, there is established an Operating Committee composed of representatives of each Party holding a Participating Interest. Each Party shall appoint one (1) representative and one (1) alternate representative to serve on the Operating Committee. Each Party shall as soon as possible after the date of this Agreement give notice in writing to the other Parties of the name and address of its representative and alternate representative to serve on the Operating Committee. Each Party shall have the right to change its representative and alternate at any time by giving notice to such effect to the other Parties.

5.2 Powers and Duties of Operating Committee

The Operating Committee shall have power and duty to authorize and supervise Joint Operations that are necessary or desirable to fulfill the Contract and properly explore and exploit the Contract Area in accordance with this Agreement and in a manner appropriate in the circumstances.

5.3 Authority to Vote

The representative of a Party, or in his absence his alternate representative, shall be authorized to represent and bind such Party with respect to any matter which is within the powers of the Operating Committee and is properly brought before the Operating Committee. Each such representative shall have a vote equal to the Participating Interest of the Party such person represents. Each alternate representative shall be entitled to attend all Operating Committee meetings but shall have no vote at such meetings except in the absence of the representative for whom he is the alternate. In addition to the representative and alternate representative, each Party may also bring to any Operating Committee meetings such technical and other advisors as it may deem appropriate.

5.4 Subcommittees

The Operating Committee may establish such subcommittees, including technical subcommittees, as the Operating Committee may deem appropriate. The functions of such subcommittees shall be in an advisory capacity or as otherwise determined unanimously by the Parties.

5.5 Notice of Meeting

- (A) Operator may call a meeting of the Operating Committee by giving notice to the Parties at least fifteen (15) Days in advance of such meeting.

(B) Operator shall call a meeting of the Operating Committee at least once a year. Any Non-Operator may request a meeting of the Operating Committee by giving notice to all the other Parties. Upon receiving such request, Operator shall call such meeting for a date not less than fifteen (15) Days nor more than twenty (20) Days after receipt of the request.

(C) The notice periods above may only be waived with the unanimous consent of all the Parties.

5.6 Contents of Meeting Notice

(A) Each notice of a meeting of the Operating Committee as provided by Operator shall contain:

- (1) The date, time and location of the meeting; and
- (2) An agenda of the matters and proposals to be considered and/or voted upon.

(B) A Party, by notice to the other Parties given not less than seven (7) Days prior to a meeting, may add additional matters to the agenda for a meeting.

(C) On the request of a Party, and with the unanimous consent of all Parties, the Operating Committee may consider at a meeting a proposal not contained in such meeting agenda.

5.7 Location of Meetings

All meetings of the Operating Committee shall be held in the Operator's offices in London, England or Dublin, Ireland or elsewhere as may be decided by the Operating Committee.

5.8 Operator's Duties for Meetings

(A) With respect to meetings of the Operating Committee and any subcommittee, Operator's duties shall include, but not be limited to:

- (1) Timely preparation and distribution of the agenda;
- (2) Organization and conduct of the meeting; and
- (3) Preparation of a written record or minutes of each meeting.

(B) Operator shall have the right to appoint the chairman of the Operating Committee and all subcommittees.

5.9 Voting Procedure

Except as otherwise expressly provided in this Agreement all decisions, approvals and other actions of the Operating Committee on all proposals coming before it shall be

decided by the affirmative vote of two (2) or more Parties then having collectively more than sixty-six percent (66%) of the Participating Interests. For the purposes of this Article 5.9, any Party which is an Affiliate of a Party shall count as one Party with its Affiliates.

Notwithstanding the above, subject always to the rights contained in Article 7 for operations by less than all the Parties, agreement to any amendment or to termination of the Contract shall require the unanimous affirmative vote of all Parties.

5.10 Record of Votes

The chairman of the Operating Committee shall appoint a secretary who shall make a record of each proposal voted on and the results of such voting at each Operating Committee meeting. Each representative shall sign and be provided a copy of such record at the end of such meeting and it shall be considered the final record of the decisions of the Operating Committee.

5.11 Minutes

The secretary shall provide each Party with a copy of the minutes of the Operating Committee meeting within fifteen (15) Days after the end of the meeting. Each Party shall have fifteen (15) Days after receipt of such minutes to give notice of its objections to the minutes to the secretary. A failure to give notice specifying objection to such minutes within said fifteen (15) Day period shall be deemed to be approval of such minutes. In any event, the votes recorded under Article 5.10 shall take precedence over the minutes described above.

5.12 Voting by Notice

(A) In lieu of a meeting, any Party may submit any proposal to the Operating Committee for a vote by notice. The proposing Party or Parties shall notify Operator who shall give each representative notice describing the proposal so submitted. Each Party shall communicate its vote by notice to Operator and the other Parties within one of the following appropriate time periods after receipt of Operator's notice:

- (1) twenty four (24) hours in the case of operations which involve the use of a drilling rig that is standing by in the Contract Area.
- (2) fifteen (15) Days in the case of all other proposals.

(B) Except in the case of Article 5.12(A)(1), any Non-Operator may by notice delivered to all Parties within seven (7) Days of receipt of Operator's notice request that the proposal be decided at a meeting rather than by notice. In such an event, that proposal shall be decided at a meeting duly called for that purpose.

- (C) Except as provided in Article X, any Party failing to communicate its vote in a timely manner shall be deemed to have voted against such proposal.
- (D) If a meeting is not requested, then at the expiration of the appropriate time period, Operator shall give each Party a confirmation notice stating the tabulation and results of the vote.

5.13 Effect of Vote

All decisions taken by the Operating Committee pursuant to this Article V, shall be conclusive and binding on all the Parties, except that:

- (A) If pursuant to this Article V, a Joint Operation, other than an operation to fulfill the Minimum Work Obligations, has been properly proposed to the Operating Committee and the Operating Committee has not approved such proposal in a timely manner, then any Party shall have the right for the appropriate period specified below to propose in accordance with Article VII, an Exclusive Operation involving operations essentially the same as those proposed for such Joint Operation.

- (1) For proposals involving the use of a drilling rig that is standing by in the Contract Area, such right shall be exercisable for twenty-four (24) hours after the time specified in Article 5.12(A)(1) has expired or after receipt of Operator's notice given pursuant to Article 5.13(D), as applicable.
- (2) For proposals to develop a Discovery, such right shall be exercisable for twenty (20) Days after the date the Operating Committee was required to consider such proposal pursuant to Article 5.6 or Article 5.12;
- (3) For all other proposals, such right shall be exercisable for five (5) Days after the date the Operating Committee was required to consider such proposal pursuant to Article 5.6 or Article 5.12.

- (B) If a Party voted against any proposal which was approved by the Operating Committee and which could be conducted as an Exclusive Operation pursuant to Article VII, other than any proposal relating to Minimum Work Obligations, then such Party shall have the right not to participate in the operation contemplated by such approval. Any such Party wishing to exercise its right of non-consent must give notice of non-consent to all other Parties within five (5) Days (or within twenty-four (24) hours if the drilling rig to be used in such operation is standing by in the Contract Area) following Operating Committee approval of such proposal. The Parties that were not entitled to give or did not give notice of non-consent shall be Consenting Parties as to the operation contemplated by the Operating Committee approval, and shall conduct such operation as an Exclusive Operation under Article VII. Any Party that gave notice of non-consent shall be a Non-Consenting Party as to such Exclusive Operation.

- (C) If the Consenting Parties to an Exclusive Operation under Article 5.13(A) or Article 5.13(B) concur, then the Operating Committee may, at any time, pursuant to this Article V, reconsider and approve, decide or take action on any proposal that the Operating Committee declined to approve earlier, or modify or revoke an earlier approval, decision or action.
- (D) Once a Joint Operation for the drilling, Deepening, Testing, Sidetracking, Plugging Back, Completing, Recompleting, Reworking or plugging of a well, has been approved and commenced, such operation shall not be discontinued without the consent of the Operating Committee; provided, however, that such operation may be discontinued, if:
 - (1) an impenetrable substance or other condition in the hole is encountered which in the reasonable judgment of Operator causes the continuation of such operation to be impractical; or
 - (2) other circumstances occur which in the reasonable judgment of Operator cause the continuation of such operation to be unwarranted and after notice the Operating Committee within the period required under Article 5.12(A)(1) approves discontinuing such operation.

On the occurrence of either of the above, Operator shall promptly notify the Parties that such operation is being discontinued pursuant to the foregoing, and any Party shall have the right to propose in accordance with Article VII an Exclusive Operation to continue such operation.

5.14 Management Committee Participation

- (A) Subject to the following provisions of this Article 5.14, each Party shall appoint one representative to serve as a member of the Joint Management Committee in accordance with Article 6.2 of the Contract.
- (B) In the event that there are fewer Parties to this Agreement than the number of Contractor representatives on the Joint Management Committee provided for in the Contract, the Operator shall, in addition to any representatives appointed by the Non-Operators in accordance with this Article 5.14, appoint such representatives as the Operator may in its absolute discretion select to serve on the Joint Management Committee in accordance with Article 6.2 of the Contract.
- (C) In the event that there are more than four (4) Parties to this Agreement:
 - 1) the Parties with the four (4) greatest Participating Interests; or
 - 2) if the Operator is not one of such four Parties, the Operator and the three other Parties with the greatest Participating Interests, shall each appoint one

representative to serve on the Joint Management Committee in accordance with Article 6.2 of the Contract (and this Article 5.14 shall apply mutatis mutandis in the event that the Contract provides for any number of Contractor representatives on the Joint Management Committee other than four (4)).

- (D) The Joint Management Committee representative(s) appointed by the Operator shall have the sole rights to exercise all voting rights of the Contractor on the Joint Management Committee under Article 6 of the Contract and shall exercise such voting rights in accordance with the prior decisions of the Operating Committee.
- (E) At meetings of the Joint Management Committee, the representatives of any Non-Operator shall not vote and shall not seek or request any decision of the Joint Management Committee which is contrary to any prior decision of the Operating Committee.

ARTICLE VI - WORK PROGRAMS AND BUDGETS

6.1 Exploration and Appraisal

- (A) Not less than sixty (60) days prior to each date on which a Work Program and Budget is required to be submitted to the Joint Management Committee pursuant to clause 6.4 of the Contract, Operator shall deliver to the Parties a proposed Work Program and Budget detailing the Joint Operations to be performed for the relevant Calendar Year. Within thirty (30) Days of such delivery, the Operating Committee shall meet to consider and to endeavour to agree on a Work Program and Budget.
- (B) If a Discovery is made, Operator shall deliver any notice of Discovery required under the Contract and shall as soon as possible submit to the Parties a report containing available details concerning the Discovery and Operator's recommendation as to whether the Discovery merits appraisal. If the Operating Committee determines that the Discovery merits appraisal, Operator within sixty (60) Days, shall deliver to the Parties a proposed Work Program and Budget for the appraisal of the Discovery. Within thirty (30) Days of such delivery, or earlier if necessary to meet any applicable deadline under the Contract, the Operating Committee shall meet to consider, modify and then either approve or reject the appraisal Work Program and Budget. If the appraisal Work Program and Budget is approved by the Operating Committee, Operator shall take such steps as may be required under the Contract to secure approval of the appraisal Work Program and Budget by the Government. In the event the Government requires changes in the appraisal Work Program and Budget, the matter shall be resubmitted to the Operating Committee for further consideration.
- (C) The Work Program and Budget agreed pursuant to this Article 6.1 shall include the Minimum Work Obligations, or at least that part of such Minimum Work Obligations required to be carried out during the Calendar Year in question under

the terms of the Contract. If within the time periods prescribed in this Article 6.1 the Operating Committee is unable to agree on such a Work Program and Budget, then the proposal capable of satisfying the Minimum Work Obligations for the Calendar Year in question that receives the largest Participating Interest vote (even if less than the applicable percentage under Article 5.9) shall be deemed adopted as part of the annual Work Program and Budget. If competing proposals receive equal votes, then Operator shall choose between those competing proposals PROVIDED THAT any portion of a Work Program and Budget adopted pursuant to this Article 6.1(C) instead of Article 5.9 shall include only such operations for the Joint Account as are necessary to maintain the Contract in full force and effect, including such operations as are necessary to fulfill the Minimum Work Obligations required for the given Calendar Year.

- (D) Any approved Work Program and Budget may be revised by the Operating Committee from time to time. To the extent such revisions are approved by the Operating Committee, the Work Program and Budget shall be amended accordingly. The Operator shall prepare and submit a corresponding work program and budget amendment to the Government if required by the terms of the Contract.
- (E) Subject to Article 6.7, approval of any such Work Program and Budget, which includes:
 - (1) an Exploration Well, whether by Drilling, Deepening or Sidetracking, shall include approval for all expenditures necessary for drilling, Deepening or Sidetracking, as applicable, and Testing and Completing such Exploration Well.
 - (2) an Appraisal Well, whether by drilling, Deepening or Sidetracking, shall include approval for all expenditures necessary for drilling, Deepening or Sidetracking, as applicable, and Testing and Completing such Appraisal Well.
- (G) Any Party desiring to propose a Completion attempt, or an alternative Completion attempt, must do so within the time period provided in Article 5.12(A)(1) by notifying all other Parties. Any such proposal shall include an AFE for such Completion costs.

6.2 Development

- (A) If the Operating Committee determines that a Discovery may be commercial, the Operator shall, as soon as practicable, deliver to the Parties a Development Plan together with the first annual Work Program and Budget and provisional Work Programs and Budgets for the remainder of the development of the Discovery, which shall contain, inter alia:

- (1) Details of the proposed work to be undertaken, personnel required and expenditures to be incurred, including the timing of same, on a Calendar Year basis;
 - (2) An estimated date for the commencement of production;
 - (3) A delineation of the proposed Exploitation Area; and
 - (4) Any other information requested by the Operating Committee.
- (B) After receipt of the Development Plan and prior to any applicable deadline under the Contract, the Operating Committee shall meet to consider, modify and then either approve or reject the Development Plan and the first annual Work Program and Budget for the development submitted by Operator. If the Development Plan is approved by the Operating Committee, Operator shall, as soon as possible, deliver any notice of Commercial Discovery required under the Contract and take such other steps as may be required under the Contract to secure approval of the Development Plan by the Government. In the event the Government requires changes in the Development Plan, the matter shall be resubmitted to the Operating Committee for further consideration.
- (C) If the Development Plan is approved, such work shall be incorporated into and form part of annual Work Programs and Budgets, and Operator shall endeavor to agree to such Work Program and Budget, including any necessary or appropriate revisions to the Work Program and Budget for the approved Development Plan.

6.3 Production

On or before the 1st Day of October of each Calendar Year, Operator shall deliver to the Parties a proposed production Work Program and Budget detailing the Joint Operations to be performed in the Exploitation Area and the projected production schedule for the following Calendar Year. Within thirty (30) Days of such delivery, the Operating Committee shall agree upon a production Work Program and Budget.

6.4 Itemization of Expenditures

- (A) During the preparation of the proposed Work Programs and Budgets and Development Plans contemplated in this Article VI, Operator shall consult with the Operating Committee or the appropriate subcommittees regarding the contents of such Work Programs and Budgets and Development Plans.
- (B) Each Work Program and Budget and Development Plan submitted by Operator shall contain an itemized estimate of the costs of Joint Operations and all other expenditures to be made for the Joint Account during the Calendar Year in question and shall, *inter alia*:

- (1) identify each work category in sufficient detail to afford the ready identification of the nature, scope and duration of the activity in question;
 - (2) include such reasonable information regarding Operator's allocation procedures and estimated manpower costs as the Operating Committee may determine;
 - (3) comply with the requirements of the Contract; and
 - (4) contain an estimate of funds to be expended by Calendar Quarter.
- (C) The Work Program and Budget shall designate the portion or portions of the Contract Area in which Joint Operations itemized in such Work Program and Budget are to be conducted and shall specify the kind and extent of such operations in such detail as the Operating Committee may deem suitable.

6.5 Contract Awards

Operator shall award each contract for approved Joint Operations on the following basis (the amounts stated are in thousands of U.S. dollars):

	<u>Procedure A</u>	<u>Procedure B</u>	<u>Procedure C</u>
Exploration and Appraisal Operations	\$0 to \$ 400,000	>\$ 400,000 - \$2,499,999	>\$ 2,500,000
Development Operations	\$0 to \$ 750,000	>\$ 750,000 - \$2,499,999	>\$ 2,500,000
Production Operations	\$0 to \$400,000	>\$400,000 - \$2,499,999	>\$2,500,000

Procedure (A)

Operator shall award the contract to the best qualified contractor as determined by cost and ability to perform the contract without the obligation to tender and without informing or seeking the approval of the Operating Committee (other than to an Affiliate in which event Operator shall obtain the approval of the Operating Committee for any contract in excess of \$200,000).

Procedure (B)

Operator shall:

- 1) Provide the Parties with a list of the entities whom Operator proposes to invite to tender for the said contract;
- (2) Add to such list any entity whom a Party requests to be added within ten (10) Business Days of receipt of such list;

- (3) Complete the tendering process within a reasonable period of time;
- (4) Inform the Parties of the entities to whom the contract has been awarded, provided that before awarding Contracts to Affiliates of the Operator which exceed U.S. dollars two hundred thousand (US\$200,000), Operator shall obtain the approval of the Operating Committee.
- (5) Circulate to the Parties a competitive bid analysis stating the reasons for the choice made; and
- (6) Upon the request of a Party, provide such Party with a copy of the final version of the contract awarded.

Procedure (C)

Operator shall:

- (1) Provide the Parties with a list of the entities whom Operator proposes to invite to tender for the said contract;
- (2) Add to such list any entity whom a Party requests to be added within ten (10) Business Days of receipt of such list;
- (3) Prepare and dispatch the tender documents to the entities on the list as aforesaid and to Non-Operators;
- (4) After the expiration of the period allowed for tendering, consider and analyse the details of all bids received;
- (5) Prepare and circulate to the Parties a competitive bid analysis, stating Operator's recommendation as to the entity to whom the contract should be awarded, the reasons therefore, and the technical, commercial and contractual terms to be agreed upon;
- (6) Obtain the approval of the Operating Committee to the recommended bid; and
- (7) Upon the request of a Party, provide such Party with a copy of the final version of the contract.

Notwithstanding any of the procedures outlined above, in the event that the Operator wishes to make a sole source award, that is to say an award in circumstances where no alternative quotation has been obtained, it shall first obtain the approval of the Operating Committee where the amount involved exceeds one hundred and fifty thousand U.S. dollars (US\$150,000).

6.6 Authorization for Expenditure ("AFE") Procedure

- (A) Prior to incurring any commitment or expenditure for the Joint Account, the Operator will issue an AFE for items of a capital nature and for workovers, where the individual item value is in excess of One Hundred U.S. dollars (U.S.\$ 100,000).

The above will apply to exploration or appraisal, development and production Work Programs and Budgets. Notwithstanding the above, Operator shall not be obliged to furnish an AFE to the Parties with respect to any Minimum Work Obligations, workovers of wells and general and administrative costs that are listed as separate line items in an approved Work Program and Budget.

- (B) All AFEs shall be for informational purposes only. Approval of an operation in the current Work Program and Budget shall authorize Operator to conduct the operation (subject to Article 6.7) without further authorization from the Operating Committee.

6.7 Overexpenditures of Work Programs and Budgets

- (A) For expenditures on any line item of an approved Work Program and Budget, Operator shall be entitled to incur without further approval of the Operating Committee an overexpenditure for such line item up to ten percent (10%) of the authorized amount for such line item; provided that the cumulative total of all overexpenditures for a Calendar Year shall not exceed five percent (5%) of the total Work Program and Budget in question.
- (B) At such time that Operator is certain that the limits of Article 6.7(A) will be exceeded, Operator shall furnish a supplemental AFE for the estimated overexpenditures to the Operating Committee and shall provide the Parties with full details of such overexpenditures. Operator shall promptly give notice of the amounts of overexpenditures when actually incurred.
- (C) The restrictions contained in this Article VI shall be without prejudice to Operator's rights to make expenditures as set out in Article 4.2(B)(11) and Article 13.5.

ARTICLE VII - OPERATIONS BY LESS THAN ALL PARTIES

7.1 Limitation on Applicability

- (A) No operations may be conducted in furtherance of the Contract except as Joint Operations under Article V or as Exclusive Operations under this Article VII. No Exclusive Operation shall be conducted which conflicts with a Joint Operation.

(B) Operations which are required to fulfill the Minimum Work Obligations must be proposed and conducted as Joint Operations under Article V, and may not be proposed or conducted as Exclusive Operations under this Article VII.

(C) Except for Exclusive Operations relating to Deepening, Testing, Completing, Sidetracking, Plugging Back, Recompletions or Reworking of a well originally drilled to fulfill the Minimum Work Obligations, no Exclusive Operations may be proposed or conducted during any period, subperiod or extension period of the Exploration Period until the Minimum Work Obligations are fulfilled in relation to such period, subperiod or extension period.

Except for the acquisition of G & G Data beyond the acquisition of G & G Data to fulfill the Minimum Work Obligations, no Exclusive Operations may be proposed or conducted until the Minimum Work Obligations are fulfilled.

(D) No Party may propose or conduct an Exclusive Operation under this Article VII, unless and until such Party has properly exercised its right to propose an Exclusive Operation pursuant to Article 5.13, or is entitled to conduct an Exclusive Operation pursuant to Article X.

(E) Any operation that may be proposed and conducted as a Joint Operation, other than operations within an Exploitation Area, may be proposed and conducted as an Exclusive Operation, subject to the terms of this Article VII.

7.2 Procedure to Propose Exclusive Operations

(A) Subject to Article 7.1, if any Party proposes to conduct an Exclusive Operation, such Party shall give notice of the proposed operation to all Parties, other than Non-Consenting Parties who have relinquished their rights to participate in such operation pursuant to Article 7.4(B) or Article 7.4(F) and have no option to reinstate such rights under Article 7.4(C). Such notice shall specify that such operation is proposed as an Exclusive Operation, the work to be performed, the location, the objectives, and estimated cost of such operation.

(B) Any Party entitled to receive such notice shall have the right to participate in the proposed operation.

(1) For proposals to Deepen, Test, Complete, Sidetrack, Plug Back, Recomplete or Rework involving the use of a drilling rig that is standing by in the Contract Area, any such Party wishing to exercise such right must so notify Operator within twenty four (24) hours after receipt of the notice proposing the Exclusive Operation.

(2) For proposals to develop a Discovery, any Party wishing to exercise such right must so notify the Party proposing to develop within twenty (20) Days after receipt of the notice proposing the Exclusive Operation.

- (3) For all other proposals, any such Party wishing to exercise such right must so notify Operator within ten (10) Days after receipt of the notice proposing the Exclusive Operation.
- (C) Failure of a Party to whom a proposal notice is delivered to properly reply within the period specified above shall constitute an election by that Party not to participate in the proposed operation.
- (D) If all Parties properly exercise their rights to participate, then the proposed operation shall be conducted as a Joint Operation. The Operator shall commence such Joint Operation as promptly as practicable and conduct it with due diligence.
- (E) If less than all Parties entitled to receive such proposal notice properly exercise their rights to participate, then:
- (1) Immediately after the expiration of the applicable notice period set out in Article 7.2(B), the Operator shall notify all Parties of the names of the Consenting Parties and the recommendation of the proposing Party as to whether the Consenting Parties should proceed with the Exclusive Operation.
 - (2) Concurrently, Operator shall request the Consenting Parties to specify the Participating Interest each Consenting Party is willing to bear in the Exclusive Operation.
 - (3) Within twenty-four (24) hours after receipt of such notice, each Consenting Party shall respond to the Operator stating that it is willing to bear a Participating Interest in such Exclusive Operation equal to:
 - (a) Only its Participating Interest as stated in Article 3.2(A); or
 - (b) A fraction, the numerator of which is such Consenting Party's Participating Interest as stated in Article 3.2(A) and the denominator of which is the aggregate of the Participating Interests of the Consenting Parties as stated in Article 3.2(A); or
 - (c) The total of its Participating Interest as contemplated by Article 7.2(B)(3)(b) plus all or any part of the difference between one hundred percent (100%) and the total of the Participating Interests subscribed by the other Consenting Parties.
 - (4) Any Consenting Party failing to advise Operator within the response period set out above shall be deemed to have elected to bear the Participating Interest set out in Article 7.2(E)(3)(b) as to the Exclusive Operation.

- (5) If within the response period set out above, the Consenting Parties subscribe less than one hundred percent (100%) of the Participating Interest in the Exclusive Operation, the Party proposing such Exclusive Operation shall be deemed to have withdrawn its proposal for the Exclusive Operation, unless within twenty-four (24) hours of the expiry of the response period set out in Article 7.2(E)(3), the proposing Party notifies the other Consenting Parties that the proposing Party shall bear the unsubscribed Participating Interest.
- (6) If one hundred percent (100%) subscription to the proposed Exclusive Operation is obtained, Operator shall promptly notify the Consenting Parties of their Participating Interests in the Exclusive Operation.
- (7) As soon as any Exclusive Operation is fully subscribed pursuant to Article 7.2(E)(6) Operator (subject to Article 7.11(F)), shall commence such Exclusive Operation as promptly as practicable and conduct it with due diligence in accordance with this Agreement.
- (8) If the Exclusive Operation is conducted, the Consenting Parties shall bear the sole liability and expense of such Exclusive Operation, with each Consenting Party bearing a fraction of such liability and expense, the numerator of which is such Consenting Party's Participating Interest as stated in Article 3.2(A) and the denominator of which is the aggregate of the Participating Interests of the Consenting Parties as stated in Article 3.2(A), or as the Consenting Parties may otherwise agree.
- (8) If such Exclusive Operation has not been commenced within ninety (90) Days (excluding any extension specifically agreed by all Parties or allowed by the force majeure provisions of Article XVI) after the date of the notice given by Operator under Article 7.2(E)(6), the right to conduct such Exclusive Operation shall terminate. If any Party still desires to conduct such Exclusive Operation, notice proposing such operation must be resubmitted to the Parties in accordance with Article V, as if no proposal to conduct an Exclusive Operation had been previously made.

7.3 Responsibility for Exclusive Operations

- (A) The Consenting Parties shall bear in accordance with the Participating Interests agreed under Article 7.2(E) the entire cost and liability of conducting an Exclusive Operation and shall indemnify the Non-Consenting Parties from any and all costs and liabilities incurred incident to such Exclusive Operation (including but not limited to all costs, expenses or liabilities for environmental, consequential, punitive or any other similar indirect damages or losses arising from business interruption, reservoir or formation damage, inability to produce petroleum, loss of profits, pollution control and environmental amelioration or rehabilitation) and shall keep the Contract Area free and clear of all liens and encumbrances of every kind created by or arising from such Exclusive Operation.

- (B) Notwithstanding Article 7.3(A), each Party shall continue to bear its Participating Interest share of the cost and liability incident to the operations in which it participated, including but not limited to plugging and abandoning and restoring the surface location, but only to the extent those costs were not increased by the Exclusive Operation.

7.4 Consequences of Exclusive Operations

- (A) With regard to any Exclusive Operation, for so long as a Non-Consenting Party has the option under Article 7.4(C) to reinstate the rights it relinquished under Article 7.4(B), such Non-Consenting Party shall be entitled to have access concurrently with the Consenting Parties to all data and other information relating to such Exclusive Operation, other than G & G Data obtained in an Exclusive Operation. If a Non-Consenting Party desires to receive and acquire the right to use such G & G Data, then such Non-Consenting Party shall have the right to do so by paying to the Consenting Parties two hundred percent (200%) of the Non-Consenting Party's Participating Interest share as set out in Article 3.2(A) of the cost incurred in obtaining such G & G Data.

If the Parties decide to drill a well or wells within the area covered by the G & G Data obtained in an Exclusive Operation, the Non-Consenting Party shall pay to the Consenting Parties three hundred percent (300%) of the Non-Consenting Party's Participating Interest share of the cost incurred in obtaining such G & G Data which shall then become Joint Property.

- (B) Subject to Article 7.4(C), Article 7.6(E) and Article 7.8, each Non-Consenting Party shall be deemed to have relinquished to the Consenting Parties, and the Consenting Parties shall be deemed to own, in proportion to their respective Participating Interests in any Exclusive Operation:
- (1) All of each such Non-Consenting Party's right to participate in further operations in the well or Deepened or Sidetracked portion of a well in which the Exclusive Operation was conducted and on any Discovery made or appraised in the course of such Exclusive Operation; and
 - (2) All of each such Non-Consenting Party's right pursuant to the Contract to take and dispose of Hydrocarbons produced and saved:
 - (a) From the well or Deepened or Sidetracked portion of a well in which such Exclusive Operation was conducted, and
 - (b) From any wells drilled to appraise or develop a Discovery made or appraised in the course of such Exclusive Operation

- (C) A Non-Consenting Party shall have only the following options to reinstate the rights it relinquished pursuant to Article 7.4(B):
- (1) If the Consenting Parties decide to appraise a Discovery made in the course of an Exclusive Operation, the Consenting Parties shall submit to each Non-Consenting Party the approved appraisal program. For thirty (30) Days (or forty-eight (48) hours if the drilling rig or seismic acquisition vehicle which is to be used in such appraisal program is standing by under contract in the Contract Area) from receipt of such appraisal program, each Non-Consenting Party shall have the option to reinstate the rights it relinquished pursuant to Article 7.4(B) and to participate in such appraisal program. The Non-Consenting Party may exercise such option by notifying Operator within the period specified above that such Non-Consenting Party agrees to bear its Participating Interest share of the expense and liability of such appraisal program, to pay the lump sum amount as set out in Article 7.5(A) and to pay the Cash Premium as set out in Article 7.5(B).
 - (2) If the Consenting Parties decide to develop a Discovery made or appraised in the course of an Exclusive Operation, the Consenting Parties shall submit to the Non-Consenting Parties a Development Plan substantially in the form intended to be submitted to the Government under the Contract. For sixty (60) Days from receipt of such Development Plan or such lesser period of time prescribed by the Contract, each Non-Consenting Party shall have the option to reinstate the rights it relinquished pursuant to Article 7.4(B) and to participate in such Development Plan. The Non-Consenting Party may exercise such option by notifying the Party proposing to act as Operator for such Development Plan within the period specified above that such Non-Consenting Party agrees to bear its Participating Interest share of the liability and expense of such Development Plan and such future operating and producing costs, to pay the lump sum amount as set out in Article 7.5(A) and to pay the Cash Premium as set out in Article 7.5(B);
 - (3) If the Consenting Parties decide to Deepen, Complete, Sidetrack, Plug Back or Recomplete an Exclusive Well and such further operation was not included in the original proposal for such Exclusive Well, the Consenting Parties shall submit to the Non-Consenting Parties the approved AFE for such further operation. For thirty (30) Days (or forty-eight (48) hours if the drilling rig or seismic acquisition vehicle which is to be used in such operation is standing by under contract in the Contract Area) from receipt of such AFE, each Non-Consenting Party shall have the option to reinstate the rights it relinquished pursuant to Article 7.4(B) and to participate in such operation. The Non-Consenting Party may exercise such option by notifying the Operator within the period specified above that such Non-Consenting Party agrees to bear its Participating Interest share of the liability and expense of such further operation, to pay the lump sum amount as set out in Article 7.5(A) and to pay the Cash Premium as set out in Article 7.5(B).

A Non-Consenting Party shall not be entitled to reinstate its rights in any other type of operation.

- (D) If a Non-Consenting Party does not properly and within the relevant time limit exercise such option, including paying in a timely manner in accordance with Article 7.5 all lump sum amounts and Cash Premiums, if any, due to the Consenting Parties, such Non-Consenting Party shall have forfeited the options as set out in Article 7.4(C) and the right to participate in the proposed program, unless such program, plan or operation is materially modified or expanded (in which case a new notice and option shall be given to such Non-Consenting Party under Article 7.4(C)).
- (E) A Non-Consenting Party shall become a Consenting Party with regard to an Exclusive Operation at such time as the Non-Consenting Party gives notice pursuant to Article 7.4(C); provided that such Non-Consenting Party shall have paid any lump sum amount and/or Cash Premium for such Exclusive Operation as required under this Article VII. Such Non-Consenting Party shall be entitled to recover its Participating Interest share of expenses paid pursuant to Article 7.5(A) (but not the amount of any associated Cash Premium). The Participating Interest of such Non-Consenting Party in such Exclusive Operation shall be its Participating Interest set out in Article 3.2(A). The Consenting Parties shall contribute to the Participating Interest of the Non-Consenting Party in proportion to the excess Participating Interest that each received under Article 7.2(E). If all Parties participate in the proposed operation, then such operation shall be conducted as a Joint Operation pursuant to Article V.
- (F) If after the expiry of the period in which a Non-Consenting Party may exercise its option to participate in a Development Plan the Consenting Parties desire to proceed, the Operator (or if the Operator is unwilling to act, then the Party chosen by the Consenting Parties proposing to act as Operator for such development) shall give notice to the Government under the appropriate provision of the Contract requesting a meeting to advise the Government that the Consenting Parties consider the Discovery to be a Commercial Discovery. Following such meeting such Operator for such development shall apply for an Exploitation Area (if applicable in the Contract). Unless the Development Plan is materially modified or expanded prior to the commencement of operations under such plan (in which case a new notice and option shall be given to the Non-Consenting Parties under Article 7.4(C)), each Non-Consenting Party to such Development Plan shall be deemed to have:
 - (a) Elected not to apply for an Exploitation Area covering such development; and
 - (b) Forfeited all economic interest in such Exploitation Area; and
 - (c) Assumed a fiduciary duty to exercise its legal interest in such Exploitation Area for the benefit of the Consenting Parties.

Such Non-Consenting Party shall be deemed to have withdrawn from this Agreement to the extent it relates to such Exploitation Area, even if the Development Plan is modified or expanded subsequent to the commencement of operations under such Development Plan and shall be further deemed to have forfeited all rights to such Exploitation Area including any right to participate in the construction and ownership of facilities outside such Exploitation Area designed solely for the use of such Exploitation Area.

7.5 Premium to Participate in Exclusive Operations

- (A) Within thirty (30) Days of the exercise of its option under Article 7.4(C), each such Non-Consenting Party shall pay in immediately available funds to the Consenting Parties in proportion to their respective Participating Interests in such Exclusive Operations a lump sum amount payable in United States Dollars. Such lump sum amount shall be equal to such Non-Consenting Party's Participating Interest share of all liabilities and expenses, including overhead, that were incurred in every Exclusive Operation relating to the Discovery, or well, as the case may be, in which the Non-Consenting Party desires to reinstate the rights it relinquished pursuant to Article 7.4(B), and that were not previously paid by such Non-Consenting Party.
- (B) In addition to Article 7.5(A), if a Cash Premium is due, then within thirty (30) Days of the exercise of its option under Article 7.4(C) each such Non-Consenting Party shall pay in immediately available funds in United States Dollars, to such Consenting Parties in proportion to their respective Participating Interests a Cash Premium equal to the total of:
- (1) five hundred percent (500%) of such Non-Consenting Party's Participating Interest share of all liabilities and expenses, including overhead, that were incurred in any Exclusive Operations relating to the obtaining of the portion of the G & G Data which pertains to the Discovery, and that were not previously paid by such Non-Consenting Party; plus
 - (2) nine hundred percent (900%) of such Non-Consenting Party's Participating Interest share of all liabilities and expenses, including overhead, that were incurred in any Exclusive Operations relating to the drilling, Deepening, Testing, Completing, Sidetracking, Plugging Back, Recompleting and Reworking of the Exploration Well which made the Discovery in which the Non-Consenting Party desires to reinstate the rights it relinquished pursuant to Article 7.4(B), and that were not previously paid by such Non-Consenting Party; plus
 - (3) four hundred percent (400%) of the Non-Consenting Party's Participating Interest share of all liabilities and expenses, including overhead, that were incurred in any Exclusive Operations relating to the drilling, Deepening, Testing, Completing, Sidetracking, Plugging Back, Recompleting and Reworking of the Appraisal Well(s) which delineated the Discovery in which the Non-Consenting Party desires to reinstate the rights it relinquished pursuant to Article 7.4(B), and that were not previously paid by such Non-Consenting Party.

7.6 Order of Preference of Operations

- (A) Except as otherwise specifically provided in this Agreement, if any Party desires to propose the conduct of an operation that will conflict with an existing proposal for an Exclusive Operation, such Party shall have the right exercisable for five (5) Days, or twenty-four (24) hours if the drilling rig or seismic vessel to be used is standing by under contract in the Contract Area, from receipt of the proposal for the Exclusive Operation, to deliver to all Parties entitled to participate in the proposed operation such Party's alternative proposal. Such alternative proposal shall contain the information required under Article 7.2(A).
- (B) Each Party receiving such proposals shall elect by delivery of notice to Operator within the appropriate response period set out in Article 7.2(B) to participate in one of the competing proposals. Any Party not notifying Operator within the response period shall be deemed to have voted against the proposal.
- (C) The proposal receiving the largest aggregate Participating Interest vote shall have priority over all other competing proposals. In the case of a tie vote, the Operator shall choose among the proposals receiving the largest aggregate Participating Interest vote. Operator shall deliver notice of such result to all Parties entitled to participate in the operation within five (5) Days of the end of the response period, or twenty-four (24) hours if the drilling rig or seismic acquisition vehicle to be used is standing by under contract in the Contract Area.
- (D) Each Party shall then have two (2) Days (or twenty-four (24) hours if the drilling rig or seismic acquisition vehicle to be used is standing by under contract in the Contract Area) from receipt of such notice to elect by delivery of notice to Operator whether such Party will participate in such Exclusive Operation, or will relinquish its interest pursuant to Article 7.4(B). Failure by a Party to deliver such notice within such period shall be deemed an election not to participate in the prevailing proposal.

7.7 Stand-By Costs

- (A) When an operation has been performed, all tests have been conducted and the results of such tests furnished to the Parties, stand by costs incurred pending response to any Party's notice proposing an Exclusive Operation for Deepening, Testing, Sidetracking, Completing, Plugging Back, Recompleting, Reworking or other further operation in such well (including the period required under Article 7.6 to resolve competing proposals) shall be charged and borne as part of the operation just completed. Stand by costs incurred subsequent to all Parties responding, or expiration of the response time permitted, whichever first occurs, shall be charged to and borne by the Parties proposing the Exclusive Operation in proportion to their Participating Interests, regardless of whether such Exclusive Operation is actually conducted.

- (B) If a further operation is proposed while the drilling rig or seismic acquisition vehicle to be utilized is on location, any Party may request and receive up to five (5) additional Days after expiration of the applicable response period specified in Article 7.2(B) within which to respond by notifying Operator that such Party agrees to bear all stand by costs and other costs incurred during such extended response period. Operator may require such Party to pay the estimated stand by time in advance as a condition to extending the response period. If more than one Party requests such additional time to respond to the notice, stand by costs shall be allocated between such Parties on a Day-to-Day basis in proportion to their Participating Interests.

7.8 Use of Property

- (A) The Parties participating in any Deepening, Testing, Completing, Sidetracking, Plugging Back, Recompleting or Reworking of any well drilled under this Agreement shall be permitted to use, free of cost, all casing, tubing and other equipment in the well that is not needed for operations by the Parties who originally bore the costs of the wellbore.

On abandonment of a well in which operations with differing participation have been conducted, the Parties abandoning the well shall account for all equipment in the well to the Parties who originally bore the costs of such equipment by tendering to them their respective Participating Interest shares of the value of such equipment less the cost of salvage.

- (B) Spare capacity in equipment that is constructed pursuant to this Agreement and used for processing or transporting oil and gas after it has passed through primary separators and dehydrators (including without limitation treatment facilities, gas processing plants and pipelines) shall be available for use by any Party for Hydrocarbon production from the Contract Area on the terms set forth below. All Parties desiring to use such equipment shall nominate capacity in such equipment on a monthly basis by notice to Operator at least ten (10) days prior to the beginning of each month. Operator may nominate capacity for the Parties that originally bore the costs of the equipment if they so elect. If at any time the capacity nominated exceeds the total capacity of the equipment, the capacity of the equipment shall be allocated in the following priority: (1) first, to the Parties that originally bore the costs of the equipment up to their respective Participating Interest or if funded under a Participation Agreement, their Exploitation Participating Interest shares of total capacity, (2) second, to Parties that originally bore the costs of the equipment desiring to use capacity in excess of their Participating Interest or if funded in such proportion, Exploitation Participating Interest shares, in proportion to the Participating Interest or Exploitation Participating Interest of each such Party and (3) third, to Parties not who did not fund the costs of the equipment, in proportion to their Participating Interests in the Agreement. Parties that originally bore the costs of the equipment shall be entitled to use up to their Participating Interest or if applicable Exploitation Participating Interest share of total capacity without payment of a fee under this Article 7.8(B). Otherwise, each Party using equipment pursuant

to this Article 7.8(B) shall pay to the Parties that originally bore the costs of the equipment monthly throughout the period of use an arm's-length fee based upon third party charges for similar services in the vicinity of the Contract Area.

If no arm's-length rates for such services are available, then the Party desiring to use equipment pursuant to this Article 7.8(B) shall pay to the Parties that originally bore the costs of the equipment a monthly fee equal to (1) that portion of the total cost of the equipment, divided by the number of months of useful life established for such equipment under the tax law of the host country, that the capacity made available to such Party on a fee basis under this Article 7.8(B) bears to the total capacity of the equipment plus (2) that portion of the monthly cost of maintaining, operating and financing the equipment that the capacity made available to such Party on a fee basis under this Article 7.8(B) bears to the total capacity of the equipment.

- (C) Payment for the use of equipment under Article 7.8(B) shall not result in an acquisition of any additional interest in the equipment by the paying Parties. However, such payments shall be included in the costs which the paying Parties are entitled to recoup under Article 7.5.
- (D) Parties electing to use spare capacity in equipment pursuant to Article 7.8(B) shall indemnify the Parties that originally bore the costs of the equipment against any and all costs and liabilities incurred as a result of such use (including but not limited to all costs, expenses or liabilities for environmental, consequential, punitive or other similar indirect damages or losses, whether arising from business interruption, reservoir or formation damage, inability to produce petroleum, loss of profits, pollution control, environmental amelioration or rehabilitation or otherwise), but excluding costs and liabilities for which the Operator is solely responsible under Article 4.6.

7.9 Miscellaneous

- (A) Each Exclusive Operation shall be carried out by the Consenting Parties acting as the Operating Committee, subject to the provisions of this Agreement applied mutatis mutandis to such Exclusive Operation and subject to the terms and conditions of the Contract.
- (B) The computation of liabilities and expenses incurred in Exclusive Operations, including the liabilities and expenses of Operator for conducting such operations, shall be made in accordance with the principles set out in the Accounting Procedure.
- (C) Operator shall maintain separate books, financial records and accounts for Exclusive Operations which shall be subject to the same rights of audit and examination as the Joint Account and related records, all as provided in the Accounting Procedure. Said rights of audit and examination shall extend to each of the Consenting Parties and each of the Non-Consenting Parties so long as the latter are, or may be, entitled to elect to participate in such operations.

- (D) Operator, if it is conducting an Exclusive Operation for the Consenting Parties, regardless of whether it is participating in that Exclusive Operation, shall be entitled to request cash advances and shall not be required to use its own funds to pay any cost and expense and shall not be obliged to commence or continue Exclusive Operations until cash advances requested have been made, and the Accounting Procedure shall apply to Operator in respect of any Exclusive Operations conducted by it.
- (E) Should the submission of a Development Plan be approved in accordance with Article 5.9, or should any Party propose a development in accordance with Article VII, with either proposal not calling for the conduct of additional appraisal drilling, and should any Party wish to drill an additional Appraisal Well prior to development, then the Party proposing the Appraisal Well as an Exclusive Operation shall be entitled to proceed first, but without the right to future reimbursement pursuant to Article 7.5. If such an Appraisal Well is produced, the Consenting Party or Parties shall own and have the right to take in kind and separately dispose of all of the Non-Consenting Parties' Entitlement from such Appraisal Well until the value thereof, determined in accordance with Article 7.5(F), equals one hundred percent (100 %) of such Non-Consenting Parties' Participating Interest share of all liabilities and expenses, including overhead, that were incurred in any Exclusive Operations relating to the Appraisal Well. If, as the result of drilling such Appraisal Well as an Exclusive Operation, the Party proposing to apply for an Exploitation Area decides to not develop the reservoir, then each Non-Consenting Party who voted in favor of such Development Plan prior to the drilling of such Appraisal Well shall pay to the Consenting Party the amount such Non-Consenting Party would have paid had such Appraisal Well been drilled as a Joint Operation.
- (F) The value of Hydrocarbons received by a Consenting Party for the purposes of Article 7.9(E) shall be the weighted average price per Barrel (f.o.b the point of delivery of the Cost Oil and Profit Oil to the Consenting Parties) which such Consenting Party receives from the sale of such Hydrocarbons to non-affiliated purchasers in arms length transactions. For sales to Affiliates, the price so used shall be the price at which Hydrocarbons of similar grade, gravity and quality (adjusted for differentials in accordance with regularly established practice) were sold generally on world markets during the particular period of sale, in free and fair arms-length transactions, with due adjustments being made for differing geographical locations. Notwithstanding the fact that royalty or any other payment obligation to the Government is based on an "official" or "Government" stated price, the price used for calculation of the value of Hydrocarbons for the purposes of Article 7.9(E) shall be the price determined in accordance with this Article 7.9(F).
- (G) If the Operator is a Non-Consenting Party to an Exclusive Operation to develop a Discovery, then subject to obtaining any necessary Government approvals the Operator may resign as Operator for the Exploitation Area for such Discovery and the Consenting Parties shall then select a Party to serve as Operator.

ARTICLE VIII - DEFAULT

8.1 Default and Notice

Any Party that fails to pay when due its Participating Interest share of Joint Account expenses, including cash advances and interest, shall be in default under this Agreement (a "Defaulting Party"). Operator, or any non-defaulting Party in the case Operator is the Defaulting Party, shall promptly give notice of such default to the Defaulting Party and each of the non-defaulting Parties (the "Default Notice"). The amount not paid by the Defaulting Party shall bear interest from the date due until paid in full at the Agreed Interest Rate.

8.2 Operating Committee Meetings and Data

Beginning five (5) Business Days from the date of the Default Notice, and thereafter while the Defaulting Party remains in default, the Defaulting Party shall not be entitled to attend Operating Committee or subcommittee meetings or to vote on any matter coming before the Operating Committee or any subcommittee until all of its defaults have been remedied (including payment of accrued interest). Unless agreed otherwise by the non-defaulting Parties, the voting interest of each non-defaulting Party during this period shall be its percentage of the total Participating Interests of the non-defaulting Parties. Any matters requiring a unanimous vote of the Parties shall not require the vote of the Defaulting Party.

In addition, beginning five (5) Business Days from the date of the Default Notice, and thereafter while the Defaulting Party remains in default, the Defaulting Party shall not have access to any data or information relating to Joint Operations. During this period, the non-defaulting Parties shall be entitled to trade data without such Defaulting Party's consent, and the Defaulting Party shall have no right to any data received in such a trade unless and until its default is remedied in full. The Defaulting Party shall be deemed to have elected not to participate in any Joint Operations or Exclusive Operations that are voted upon at least five (5) Business Days after the date of the Default Notice but before all of its defaults have been remedied to the extent such an election would be permitted by Article 5.13(B) of this Agreement. The Defaulting Party shall be deemed to have approved, and shall join with the non-defaulting Parties in taking, any other actions voted on during that period.

8.3 Allocation of Defaulted Accounts

- (A) The Party providing the Default Notice pursuant to Article 8.1 shall include in the Default Notice to each non-defaulting Party a statement of the sum of money that the non-defaulting Party is to pay as its portion (such portion being in the ratio that each non-defaulting Party's Participating Interest bears to the Participating Interests of all non-defaulting Parties) of the amount in default (excluding interest), subject to the terms of this Article 8.3. If the Defaulting Party remedies its default in full within five (5) Business Days from the date of the Default Notice, the notifying Party shall promptly notify each non-defaulting Party by telephone and facsimile, and the non-defaulting Parties shall be relieved of their obligation to pay a share of the amounts in default. Otherwise, each non-defaulting Party shall pay Operator, within five (5) Business Days after receipt of the Default Notice, its share of the amount which the Defaulting Party failed to pay. If any non-defaulting Party fails to pay its share of the amount in default as aforesaid, such Party shall thereupon be a Defaulting Party subject to the provisions of this Article VIII. The non-defaulting Parties which pay the amount owed by any Defaulting Party shall be entitled to receive their respective shares of the principal and interest payable by such Defaulting Party pursuant to this Article VIII.
- (B) If Operator is a Defaulting Party, then all payments otherwise payable to Operator for Joint Account costs pursuant to this Agreement shall be made to the notifying Party instead until the default is cured or a successor Operator appointed. The notifying Party shall maintain such funds in a segregated account separate from its own funds and shall apply such funds to third party claims due and payable from the Joint Account of which it has notice, to the extent Operator would be authorized to make such payments under the terms of this Agreement. The notifying Party shall be entitled to bill or cash call the other Parties in accordance with the Accounting Procedure for proper third party charges that become due and payable during such period to the extent sufficient funds are not available. When Operator has cured its default or a successor Operator is appointed, the notifying Party shall turn over all remaining funds in the account to Operator and shall provide Operator and the other Parties with a detailed accounting of the funds received and expended during this period. The notifying Party shall not be liable for damages, losses, costs, expenses or liabilities arising as a result of its actions under this Article 8.3(B) except to the extent Operator would be liable under Article 4.6.

8.4 Remedies

- (A) During the continuance of a default, the Defaulting Party shall not have a right to its Entitlement, which shall vest in and be the property of the non-defaulting Parties. Operator (or the notifying Party if Operator is a Defaulting Party) shall be authorized to sell such Entitlement in an arm's-length sale on terms that are commercially reasonable under the circumstances and, after deducting all costs, charges and expenses incurred in connection with such sale, pay the net proceeds to the non-defaulting Parties in proportion to the amounts they are owed by the Defaulting

Party hereunder (and apply such net proceeds toward the establishment of a reserve fund under Article 8.4(C), if applicable) until all such amounts are recovered and such reserve fund is established. Any surplus remaining shall be paid to the Defaulting Party, and any deficiency shall remain a debt due from the Defaulting Party to the non-defaulting Parties. When making sales under this Article 8.4(A), the non-defaulting Parties shall have no obligation to share any existing market or obtain a price equal to the price at which their own production is sold.

- (B) If Operator disposes of any Joint Property or any other credit or adjustment is made to the Joint Account while a Party is in default, Operator (or the notifying Party if Operator is a Defaulting Party) shall be entitled to apply the Defaulting Party's Participating Interest share of the proceeds of such disposal, credit or adjustment against all amounts owing by the Defaulting Party to the non-defaulting Parties hereunder (and toward the establishment of a reserve fund under Article 8.4(C), if applicable). Any surplus remaining shall be paid to the Defaulting Party, and any deficiency shall remain a debt due from the Defaulting Party to the non-defaulting Parties.
- (C) The non-defaulting Parties shall be entitled to apply proceeds received under Articles 8.4(A) and 8.4(B) toward the creation of a reserve fund in an amount equal to the Defaulting Party's Participating Interest share of (i) the estimated cost to abandon any wells and other property in which the Defaulting Party participated, (ii) the estimated cost of severance benefits for local employees upon cessation of operations and (iii) any other identifiable costs that the non-defaulting Parties anticipate will be incurred in connection with the cessation of operations.
- (D) If a Defaulting Party fails to remedy its default by the forty-fifth (45th) Day following the date of the Default Notice, then, without prejudice to any other rights available to the non-defaulting Parties to recover amounts owing to them under this Agreement each non-defaulting Party shall have the option, exercisable at anytime thereafter until the Defaulting Party has completely cured its defaults, to require that the Defaulting Party completely withdraw from this Agreement and the Contract. Such option shall be exercised by notice to the Defaulting Party and each non-defaulting Party. If such option is exercised, the Defaulting Party shall be deemed to have transferred, pursuant to Article 13.6, effective on the date of the non-defaulting Party's notice, all of its right, title and beneficial interest in and under this Agreement and the Contract to the non-defaulting Parties. The Defaulting Party shall, without delay following any request from the non-defaulting Parties, do any and all acts required to be done by applicable law or regulation in order to render such transfer legally valid, including, without limitation, obtaining all governmental consents and approvals, and shall execute any and all documents and take such other actions as may be necessary in order to effect a prompt and valid transfer of the interests described above. The Defaulting Party shall be obligated to promptly remove any liens and encumbrances which may exist on such transferred interests. For purposes of this Article 8.4(D), each Party constitutes and appoints each other Party its true and lawful attorney to execute such instruments and make such filings and applications as may be

necessary to make such transfer legally effective and to obtain any necessary consents of the Government. Actions under this power of attorney may be taken by any Party individually without the joinder of the others. This power of attorney is irrevocable for the term of this Agreement and is coupled with an interest. If requested, each Party shall execute a form prescribed by the Operating Committee setting forth this power of attorney in more detail. In the event all Government approvals are not timely obtained, the Defaulting Party shall hold its Participating Interest in trust for the non-defaulting Parties who are entitled to receive the Defaulting Party's Participating Interest. Notwithstanding the terms of Article XIII, in the absence of an agreement among the non-defaulting Parties to the contrary, any transfer to the non-defaulting Parties following a withdrawal pursuant to this Article 8.4(D) shall be in proportion to the Participating Interests of the non-defaulting Parties. The acceptance by a non-defaulting Party of any portion of a Defaulting Party's Participating Interest shall not limit any rights or remedies that the non-defaulting Party has to recover all amounts (including interest) owing under this Agreement by the Defaulting Party.

- (E) The non-defaulting Parties shall be entitled to recover from the Defaulting Party all reasonable attorneys' fees and all other reasonable costs sustained in the collection of amounts owing by the Defaulting Party.
- (F) The rights and remedies granted to the non-defaulting Parties in this Agreement shall be cumulative, not exclusive, and shall be in addition to any other rights and remedies that may be available to the non-defaulting Parties, whether at law, in equity or otherwise. Each right and remedy available to the non-defaulting Parties may be exercised from time to time and so often and in such order as may be considered expedient by the non-defaulting Parties in their sole discretion.

8.5 Survival

The obligations of the Defaulting Party and the rights of the non-defaulting Parties shall survive the surrender of the Contract, abandonment of Joint Operations and termination of this Agreement.

8.6 No Right of Set Off

Each Party acknowledges and accepts that a fundamental principle of this Agreement is that each Party pays its Participating Interest share of all amounts due under this Agreement as and when required. Accordingly, any Party which becomes a Defaulting Party undertakes that, in respect of either any exercise by the non-defaulting Parties of any rights under or the application of any of the provisions of this Article VIII, such Party hereby waives any right to raise by way of set off or invoke as a defense, whether in law or equity, any failure by any other Party to pay amounts due and owing under this Agreement or any alleged claim that such Party may have against Operator or any Non-Operator, whether such claim arises under this Agreement or otherwise. Each Party further agrees that the nature and the amount of the remedies granted to the non-defaulting Parties

hereunder are reasonable and appropriate in the circumstances.

ARTICLE IX – DISPOSITION OF PRODUCTION

9.1 Right and Obligation to Take in Kind

Except as otherwise provided in this Article IX or in Article VIII, each Party shall have the right and obligation to own, take in kind and separately dispose of the share of total production available to it from any Exploitation Area pursuant to the Contract and this Agreement in such quantities and in accordance with such procedures as may be set forth in the offtake agreement referred to in Article 9.2 or in the special arrangements for natural gas referred to in Article 9.3. If GNPC is party to the offtake agreement, then the Parties shall endeavour to obtain its agreement to the principles set forth in this Article IX.

9.2 Offtake Agreement for Crude Oil

If crude oil is to be produced from an Exploitation Area, the Parties shall in good faith, and not less than three (3) months prior to first delivery of crude oil, negotiate and conclude the terms of agreements to cover the offtake of crude oil produced under the Contract. GNPC may, if necessary and practicable, also be party to the offtake agreement. This offtake agreement shall, to the extent consistent with the Contract, make provision for:

- (A) The delivery point, at which title and risk of loss of Participating Interest shares of crude oil shall pass to the Parties interested (or as the Parties may otherwise agree);
- (B) Operator's regular periodic advice to the Parties of estimates of total available production for succeeding periods, quantities of each grade of crude oil and each Party's share for as far ahead as is necessary for Operator and the Parties to plan offtake arrangements. Such advice shall also cover for each grade of crude oil total available production and deliveries for the preceding period, inventory and overlifts and underlifts;
- (C) Nomination by the Parties to Operator of acceptance of their shares of total available production for the succeeding period. Such nominations shall in any one period be for each Party's entire share of available production during that period subject to operational tolerances and agreed minimum economic cargo sizes, where applicable, or as the Parties may otherwise agree;
- (D) Elimination of overlifts and underlifts;
- (E) If offshore loading or a shore terminal for vessel loading is involved, risks regarding acceptability of tankers, demurrage and (if applicable) availability of berths;
- (F) Distribution to the Parties of available grades, gravities and qualities of Hydrocarbons to ensure, to the extent Parties take delivery of their Entitlements as they accrue, that each Party shall receive in each period Entitlements of grades,

gravities and qualities of Hydrocarbons from each Exploitation Area in which it participates similar to the grades, gravities and qualities of Hydrocarbons received by each other Party from that Exploitation Area in that period.

- (G) To the extent that distribution of Entitlements on such basis is impracticable due to availability of facilities and minimum cargo sizes, if applicable, a method of making periodic adjustments; and
- (H) The option and the right of the other Parties to sell an Entitlement which a Party fails to nominate for acceptance pursuant to (C) above or of which a Party fails to take delivery, in accordance with applicable agreed procedures, provided that such failure either constitutes a breach of Operator's or Parties' obligations under the terms of the Contract, or is likely to result in the curtailment or shut-in of production. Such sales shall be made only to the limited extent necessary to avoid disruption in Joint Operations. Operator shall give all Parties as much notice as is practicable of such situation and that a sale option has arisen. Any sale shall be of the unominated or undelivered Entitlement as the case may be and for reasonable periods of time as are consistent with the minimum needs of the industry and in no event to exceed twelve (12) months. The right of sale shall be revocable at will subject to any prior contractual commitments. Payment terms for production sold under this option shall be established in the offtake agreement.

If an offtake agreement has not been entered into by the date of first delivery of crude oil, the Parties shall be bound by the principles set forth in this Article 9.2 until an offtake agreement has been entered into.

9.3 Separate Agreement for Natural Gas

The Parties recognize that if natural gas is discovered it may be necessary for the Parties to enter into special arrangements for the disposal of the natural gas, which are consistent with the Development Plan and subject to the terms of the Contract.

ARTICLE X - ABANDONMENT

10.1 Abandonment of Wells Drilled as Joint Operations

- (A) A decision to plug and abandon any well which has been drilled as a Joint Operation shall require the approval of the Operating Committee.
- (B) Should any Party fail to reply within the period prescribed in Article 5.12(A)(1) or Article 5.12(A)(2), whichever is applicable, after delivery of notice of the Operator's proposal to plug and abandon such well, such Party shall be deemed to have consented to the proposed abandonment.
- (C) If the Operating Committee approves a decision to plug and abandon an Exploration Well or Appraisal Well, any Party voting against such decision may propose, within

the time periods allowed by Article 5.13(A), to conduct an alternate Exclusive Operation in the wellbore. If no Exclusive Operation is timely proposed, or if an Exclusive Operation is timely proposed but is not commenced within the applicable time periods under Article 7.2, such well shall be plugged and abandoned.

- (C) Any well plugged and abandoned under this Agreement shall be plugged and abandoned in accordance with applicable regulations and at the cost, risk and expense of the Parties who participated in the cost of drilling such well.
- (E) Notwithstanding anything to the contrary in this Article 10.1 or elsewhere in this Agreement:
 - (1) If the Operating Committee approves a decision to plug and abandon a well from which Hydrocarbons have been produced and sold, any Party voting against the decision may propose, within five (5) days after the time specified in Article 5.6 or Article 5.12 has expired, to take over the entire well as an Exclusive Operation. Any Party originally participating in the well shall be entitled to participate in the operation of the well as an Exclusive Operation by response notice within ten (10) Days after receipt of the notice proposing the Exclusive Operation. The Consenting Parties shall be entitled to continue producing only from the Zone open to production at the time they assumed responsibility for the well and shall not be entitled to drill a substitute well in the event that the well taken over becomes impaired or fails.
 - (2) Each Non-Consenting Party shall be deemed to have relinquished free of cost to the Consenting Parties in proportion to their Participating Interests all of its interest in the wellbore of a produced well and related equipment in accordance with Article 7.4(B). The Consenting Parties shall thereafter bear all cost and liability of plugging and abandoning such well in accordance with applicable regulations, to the extent the Parties are or become obligated to contribute to such costs and liabilities, and shall indemnify the Non-Consenting Parties against all such costs and liabilities.
 - (3) Subject to Article 7.9(G), Operator shall continue to operate a produced well for the account of the Consenting Parties at the rates and charges contemplated by this Agreement, plus any additional cost and charges which may arise as the result of the separate allocation of interest in such well.

10.2 Abandonment of Exclusive Operations

This Article X shall apply mutatis mutandis to the abandonment of an Exclusive Well or any well in which an Exclusive Operation has been conducted (in which event all Parties having the right to conduct further operations in such well shall be notified and have the opportunity to conduct Exclusive Operations in the well in accordance with the provisions of this Article X).

10.3 Abandonment Security

During preparation of a Development Plan, the Parties shall negotiate and agree a security agreement, which shall be completed and executed by all Parties participating in such Development Plan prior to application for an Exploitation Area. The security agreement shall set out the amount of the provision the parties shall provide for the abandonment of operations and, if required, agree the same with the Government in accordance with the Contract.

ARTICLE XI - SURRENDER, EXTENSIONS AND RENEWALS

11.1 Surrender

- (A) If the Contract requires the Parties to surrender any portion of the Contract Area, Operator shall advise the Operating Committee of such requirement at least one hundred and twenty (120) Days in advance of the earlier of the date for filing irrevocable notice of such surrender or the date of such surrender. Prior to the end of such period, the Operating Committee shall determine pursuant to Article V the size and shape of the surrendered area, consistent with the requirements of the Contract. If a sufficient vote of the Operating Committee cannot be attained, then the proposal supported by a simple majority of the Participating Interests shall be adopted. In the event of a tie, the Operator shall choose among the proposals receiving the largest aggregate Participating Interest vote. The Parties shall execute any and all documents and take such other actions as may be necessary to effect the surrender. Each Party renounces all claims and causes of action against Operator and any other Parties on account of any area surrendered in accordance with the foregoing but against its recommendation if Hydrocarbons are subsequently discovered under the surrendered area.
- (B) A surrender of all or any part of the Contract Area which is not required by the Contract shall require the unanimous consent of the Parties.

11.2 Extension of the Term

- (A) A proposal by any Party to enter into or extend the term of any Exploration or Production Period or any phase of the Contract, or a proposal to extend the term of the Contract, shall be brought before the Operating Committee pursuant to Article V.
- (B) Any Party shall have the right to enter into or extend the term of any Exploration or Production Period or any phase of the Contract or to extend the term of the Contract, regardless of the level of support in the Operating Committee. If any Party or Parties take such action, any Party not wishing to extend shall have a right to withdraw, subject to the requirements of Article XIII.

ARTICLE XII - TRANSFER OF INTEREST OR RIGHTS

12.1 Obligations

- (A) Subject always to the requirements of the Contract, the transfer of all or part of a Party's Participating Interest, excepting transfers pursuant to Article VIII or Article XIII, shall be effective only if it satisfies the terms and conditions of this Article XII.
- (B) Except in the case of a Party transferring all of its Participating Interest or in the case of a transfer by a Party whose initial Participating Interest is less than five per cent (5%), no transfer shall be made by any Party which results in the transferor or the transferee holding a Participating Interest of less than five percent (5%) or holding any interest other than a Participating Interest in the Contract, the Contract Area (or a part of the Contract Area) and this Agreement.
- (C) The transferring Party shall, notwithstanding the transfer, be liable to the other Parties for any obligations, financial or otherwise, which have vested, matured or accrued under the provision of the Contract or this Agreement prior to such transfer. Such obligations shall include, without limitation, any proposed expenditure approved by the Operating Committee prior to the transferring Party notifying the other Parties of its proposed transfer.
- (D) The transferee shall have no rights in and under the Contract, the Contract Area, and this Agreement unless and until it obtains any necessary approval of the Government and expressly undertakes in an instrument satisfactory to the other Parties to perform the obligations of the transferor under the Contract and this Agreement in respect of the Participating Interest being transferred and furnishes any guarantees required by the Government.
- (E) A transferee other than an Affiliate and/or a Party shall have no rights in and under the Contract, the Contract Area, or this Agreement unless each Party has consented in writing to such transfer, which consent shall not be unreasonably refused or delayed and shall be refused only if such transferee fails to establish to the satisfaction of each Party its capability to perform its obligations under the Contract and this Agreement.
- (F) Nothing contained in this Article XII shall prevent a Party from mortgaging, pledging, charging or otherwise encumbering all or part of its interest in the Contract Area and in and under this Agreement for the purpose of security relating to finance provided that:
 - (1) such Party shall remain liable for all obligations relating to such interest;

- (2) the encumbrance shall be subject to any necessary approval of the Government and be expressly subordinated to the rights of the other Parties under this Agreement; and
- (3) such Party shall ensure that any such mortgage, pledge, charge or encumbrance shall be expressed to be without prejudice to the provisions of this Agreement.

(G) With the sole exceptions of

- (a) the currently proposed transfer by Kosmos of a twenty per cent (20%) Participating Interest to Anadarko WCTP Company and
- (b) the anticipated transfers during 2006 by Tullow of a Participating Interest to an as yet unidentified third party and to Tullow of a Participating Interest from an existing Party .

any intended transfers of all or a portion of Participating Interest, whether directly or indirectly by assignment, merger, consolidation, or sale of stock or shares or other conveyance, other than to an Affiliate, shall be subject to the following procedure:

- (1) Once the intended transferor Party and a proposed transferee (being a third party or a Party) have negotiated the final terms and conditions of an intended transfer, such final terms and conditions shall be disclosed in reasonable detail to all Parties in a notice from the transferor. Each Party shall have the right to acquire the Participating Interest from the transferor on the same terms and conditions agreed to by the proposed transferee if, within thirty (30) Days of transferor's notice, such Party delivers to all other Parties a counter-notification that it accepts the agreed upon terms and conditions of the transfer without reservations or conditions. If no Party delivers such counter-notification, the intended transfer to the proposed transferee may be made, subject to the other provisions of this Article XII under terms and conditions no more favorable to the transferee than those set forth in the notice to the Parties, provided that the transfer shall be concluded within one hundred eighty (180) Days from the date of the notice plus such reasonable additional period as may be required to secure governmental approvals.
- (2) If more than one Party counter-notifies that it intends to acquire the Participating Interest which is the subject of the proposed transfer, then each such Party shall acquire a proportion of the Participating Interest to be transferred equal to the ratio of its own Participating Interest to the total Participating Interests of all the counter-notifying Parties, unless they otherwise agree.
- (3) In the event that a Party's proposed transfer of part or all of its Participating Interest involve consideration other than cash or involves other properties

included in a wider transaction (package deal) then the Participating Interest (or part thereof) shall be allocated a reasonable and justifiable cash value by the transferor in any notification to the other Parties. Such other Parties may satisfy the requirements of this Article 12.1(G) by agreeing to pay such cash value in lieu of the consideration payable in the third-party offer.

12.2 Rights

Each Party shall have the right, subject to the provisions of Article 12.1, to freely transfer its Participating Interest.

ARTICLE XIII – WITHDRAWAL FROM AGREEMENT

13.1 Right of Withdrawal

- (A) Subject to the provisions of this Article XIII, any Party may withdraw from this Agreement and the Contract by giving notice to all other Parties stating its decision to withdraw. Such notice shall be unconditional and irrevocable when given, except as may be provided in Article 13.7.
- (B) The effective date of withdrawal for a withdrawing Party shall be the end of the calendar month following the calendar month in which the notice of withdrawal is given, provided that if all Parties elect to withdraw, the effective date of withdrawal for each Party shall be the date determined by Article 13.9.

13.2 Partial or Complete Withdrawal

- (A) Within thirty (30) Days of receipt of each withdrawing Party's notification, each of the other Parties may also give notice that it desires to withdraw from this Agreement and the Contract. Should all Parties give notice of withdrawal, the Parties shall proceed to abandon the Contract Area and terminate the Contract and this Agreement. If less than all of the Parties give such notice of withdrawal, then the withdrawing Parties shall take all steps to withdraw from the Contract and this Agreement on the earliest possible date and execute and deliver all necessary instruments and documents to assign their Participating Interest to the Parties which are not withdrawing, without any compensation whatsoever, in accordance with the provisions of Article 13.6.

- (B) Any Party withdrawing under Article 11.2 or under this Article XIII shall withdraw from the entirety of the Contract Area, including all Exploitation Areas and all Discoveries made prior to such withdrawal, and thus abandon to the other Parties not joining in its withdrawal all its rights to recover Petroleum Costs generated by operations after the effective date of such withdrawal and all rights in associated Joint Property.

13.3 Rights of a Withdrawing Party

A withdrawing Party shall have the right to receive its Entitlement of Hydrocarbons produced through the effective date of its withdrawal. The withdrawing Party shall be entitled to receive all information to which such Party is otherwise entitled under this Agreement until the effective date of its withdrawal. After giving its notification of withdrawal, a Party shall not be entitled to vote on any matters coming before the Operating Committee, other than matters for which such Party has financial responsibility.

13.4 Obligations and Liabilities of a Withdrawing Party

- (A) A withdrawing Party shall, following its notification of withdrawal, remain liable only for its share of the following:
- (1) Costs of Joint Operations, and Exclusive Operations in which it has agreed to participate, that were approved by the Operating Committee or Consenting Parties as part of a Work Program and Budget or AFE prior to such Party's notification of withdrawal, regardless of when they are actually incurred;
 - (2) Any Minimum Work Obligations for the current period or phase of the Contract, and for any subsequent period or phase which has been approved pursuant to Article 11.2 and with respect to which such Party has failed to timely withdraw under Article 13.4(B);
 - (3) Emergency expenditures as described in Articles 4.2(B)(11) and 13.5;
 - (4) All other obligations and liabilities of the Parties or Consenting Parties, as applicable, with respect to acts or omissions under this Agreement prior to the effective date of such Party's withdrawal for which such Party would have been liable, had it not withdrawn from this Agreement; and
 - (5) In the case of a partially withdrawing Party, any costs and liabilities with respect to Exploitation Areas, Commercial Discoveries and Discoveries from which it has not withdrawn.

The obligations and liabilities for which a withdrawing Party remains liable shall specifically include its share of any costs of plugging and abandoning wells or portions of

wells in which it participated (or was required to bear a share of the costs pursuant to Article 13.4(A)(1)), to the extent such costs of plugging and abandoning are payable by the Parties under the Contract. Any liens, charges and other encumbrances which the withdrawing Party placed on such Party's Participating Interest prior to its withdrawal shall be fully satisfied or released, at the withdrawing Party's expense, prior to its withdrawal. A Party's withdrawal shall not relieve it from liability to the non-withdrawing Parties with respect to any obligations or liabilities attributable to the withdrawing Party under this Article XIII merely because they are not identified or identifiable at the time of withdrawal.

(B) Notwithstanding the foregoing, a Party shall not be liable for any operations or expenditures it voted against (other than operations and expenditures described in Article 13.4(A)(2) or 13.4(A)(3)) if it sends notification of its withdrawal within five (5) Days (or within twenty-four (24) hours if the drilling rig to be used in such operation is standing by on the Contract Area) of the Operating Committee vote approving such operation or expenditure. Likewise, a Party voting against voluntarily entering into or extending of an Exploration Period or Production Period or any phase of the Contract or voluntarily extending the Contract shall not be liable for the Minimum Work Obligations associated therewith provided that it sends notification of its withdrawal within thirty (30) Days of such vote pursuant to Article 11.2.

13.5 Emergency

If a well goes out of control or a fire, blow out, sabotage or other emergency occurs prior to the effective date of a Party's withdrawal, the withdrawing Party shall remain liable for its Participating Interest share of the costs of such emergency, regardless of when they are actually incurred.

13.6 Assignment

A withdrawing Party shall assign its Participating Interest free of cost to each of the non-withdrawing Parties in the proportion which each of their Participating Interests (prior to the withdrawal) bears to the total Participating Interests of all the non-withdrawing Parties (prior to the withdrawal), unless the non-withdrawing Parties agree otherwise. The expenses associated with the withdrawal and assignments shall be borne by the withdrawing Party.

13.7 Approvals

A withdrawing Party shall promptly join in such actions as may be necessary or desirable to obtain any Government approvals required in connection with the withdrawal and assignments. The non-withdrawing Parties shall use reasonable efforts to assist the withdrawing Party in obtaining such approvals. Any penalties or expenses incurred by the Parties in connection with such withdrawal shall be borne by the withdrawing Party.

If the Government does not approve a Party's withdrawal and assignment to the other Parties, then the withdrawing Party shall at its option either (1) retract its notice of withdrawal by notice to the other Parties and remain a Party as if such notice of withdrawal had never been sent or (2) hold its Participating Interest in trust for the sole and exclusive benefit of the non-withdrawing Parties with the right to be reimbursed by the non-withdrawing Parties for any subsequent costs and liabilities incurred by it for which it would not have been liable, had it successfully withdrawn.

13.8 Security

- (A) A Party withdrawing from this Agreement and the Contract pursuant to this Article XIII shall provide security satisfactory to the other Parties to satisfy any obligations or liabilities which were approved or accrued prior to notice of withdrawal, but which become due after its withdrawal, including, without limitation, security to cover the costs of an abandonment, if applicable.
- (D) Failure to provide Security shall constitute default under this Agreement.
- (E) "Security" means a standby letter of credit issued by a bank, or an on demand bond issued by a surety corporation, such bank or corporation having a credit rating indicating it has sufficient worth to pay its obligations in all reasonably foreseeable circumstances or, failing the provision of either of those, cash deposited in an escrow account with the withdrawal rights granted to Operator.

13.9 Withdrawal or Abandonment by all Parties

In the event all Parties decide to withdraw, the Parties agree that they shall be bound by the terms and conditions of this Agreement for so long as may be necessary to wind up the affairs of the Parties with the Government, to satisfy any requirements of applicable law and to facilitate the sale, disposition or abandonment of property or interests held by the Joint Account.

ARTICLE XIV - RELATIONSHIP OF PARTIES AND TAX

14.1 Relationship of Parties

The rights, duties, obligations and liabilities of the Parties under this Agreement shall be individual, not joint or collective. It is not the intention of the Parties to create, nor shall this Agreement be deemed or construed to create a mining or other partnership, joint venture or association or (except as explicitly provided in this Agreement) a trust. This Agreement shall not be deemed or construed to authorize any Party to act as an agent, servant or employee for any other Party for any purpose whatsoever except as explicitly set forth in this Agreement. In their relations with each other under this Agreement, the Parties shall not be considered fiduciaries except as expressly provided in this Agreement.

14.2 Tax

Each Party shall be responsible for reporting and discharging its own tax measured by the profit or income of the Party and the satisfaction of such Party's share of all contract obligations under the Contract and under this Agreement. Each Party shall protect, defend and indemnify each other Party from any and all loss, cost or liability arising from the indemnifying Party's failure to report and discharge such taxes or satisfy such obligations. The Parties intend that all income and all tax benefits (including, but not limited to, deductions, depreciation, credits and capitalization) with respect to the expenditures made by the Parties hereunder will be allocated by the Government tax authorities to the Parties based on the share of each tax item actually received or borne by each Party. If such allocation is not accomplished due to the application of the laws and regulations of the Government or other Government action, the Parties shall attempt to adopt mutually agreeable arrangements that will allow the Parties to achieve the financial results intended.

Operator shall provide each Party, in a timely manner and at such Party's sole expense, with such information with respect to Joint Operations as such Party may reasonably request for preparation of its tax returns or responding to any audit or other tax proceeding.

14.3 United States Tax Election

(A) If, for United States federal income tax purposes, this Agreement and the operations under this Agreement are regarded as a partnership (and if the Parties have not agreed to form a tax partnership), each "U.S. Party" (as defined below) elects to be excluded from the application of all of the provisions of Subchapter "K", Chapter 1, Subtitle "A" of the United States Internal Revenue Code of 1986, as amended (the "Code"), to the extent permitted and authorized by Section 761(a) of the Code and the regulations promulgated under the Code. Operator is authorized and directed to execute and file for each U.S. Party such evidence of this election as may be required by the Internal Revenue Service, including specifically, but not by way of limitation, all of the returns, statements, and the data required by United States Treasury Regulations Sections 1.761-2 and 1.6031(a)-1(b)(5), and shall provide a copy thereof to each U.S. Party. Should there be any requirement that any U.S. Party give further evidence of this election, each U.S. Party shall execute such documents and furnish such other evidence as may be required by the Internal Revenue Service or as may be necessary to evidence this election.

(B) No Party shall give any notice or take any other action inconsistent with the election made above. If any income tax laws of any state or other political subdivision of the United States or any future income tax laws of the United States or any such political subdivision contain provisions similar to those in Subchapter "K", Chapter 1, Subtitle "A" of the Code, under which an election similar to that provided by Section 761(a) of the Code is permitted, each U.S. Party shall make such elections as may be permitted or required by such laws. In making the foregoing election, each U.S. Party states that the income derived by it from operations under this Agreement can be adequately determined without the computation of partnership taxable income.

- (C) For the purposes of this Article XIV, "U.S. Party" shall mean any Party which is subject to the income tax law of the United States in respect of operations under this Agreement.
- (D) No activity shall be conducted under this Agreement that would cause any Party that is not a U.S. Party to be deemed to be engaged in a trade or business within the United States under applicable tax laws and regulations.
- (E) A Party which is not a U.S. Party shall not be required to do any act or execute any instrument which might subject it to the taxation jurisdiction of the United States.

ARTICLE XV - CONFIDENTIAL INFORMATION

15.1 Confidential Information

- (A) Subject to the provisions of the Contract, the Parties agree that all information and data acquired or obtained by any Party in respect of Joint Operations shall be considered confidential and shall be kept confidential and not be disclosed during the term of the Contract to any person or entity not a Party to this Agreement, except:
 - (1) To an Affiliate, provided such Affiliate maintains confidentiality as provided in this Article XV;
 - (2) To a governmental agency or other entity when required by the Contract;
 - (3) To the extent such data and information is required to be furnished in compliance with any applicable laws or regulations, or pursuant to any legal proceedings or because of any order of any court binding upon a Party;
 - (4) To prospective or actual contractors, consultants and attorneys employed by any Party where disclosure of such data or information is essential to such contractor's, consultant's or attorney's work;
 - (5) To a bona fide prospective transferee of a Party's Participating Interest (including an entity with whom a Party or its Affiliates are conducting bona fide negotiations directed toward a merger, consolidation or the sale of a majority of its or an Affiliate's shares);
 - (6) To a bank or other financial institution to the extent appropriate to a Party arranging for funding;
 - (7) To the extent such data and information must be disclosed pursuant to any rules or requirements of any government or stock exchange having jurisdiction over such Party, or its Affiliates; provided that if any Party desires to disclose information in an annual or periodic report to its or its Affiliates' shareholders and to the public and such disclosure is not required pursuant to any rules or requirements of any government or stock exchange, then such Party shall comply with Article 19.2;
 - (8) To its respective employees for the purposes of Joint Operations, subject to each Party taking customary precautions to ensure such data and information

is kept confidential;
(9) Any data or information which, through no fault of a Party, becomes a part of the public domain.

(B) Disclosure as pursuant to Article 15.1(A), (4), (5), and (6) shall not be made unless prior to such disclosure the disclosing Party has obtained a written undertaking from the recipient party to keep the data and information strictly confidential pursuant to the terms of the Contract and not to use or disclose the data and information except for the express purpose for which disclosure is to be made.

15.2 Continuing Obligations

Any Party ceasing to own a Participating Interest during the term of this Agreement shall nonetheless remain bound by the obligations of confidentiality in Article 15.1 and any disputes shall be resolved in accordance with Article XVIII.

15.3 Proprietary Technology

Nothing in this Agreement shall require a Party to divulge proprietary technology to the other Parties; provided that where the cost of development of proprietary technology has been charged to the Joint Account, such proprietary technology shall be disclosed to all Parties bearing a portion of such cost and may be used by any such Party or its Affiliates in other operations.

15.4 Trades

Notwithstanding the foregoing provisions of this Article XV, Operator may, with approval of the Operating Committee, make well trades and data trades for the benefit of the Parties, with any data so obtained to be furnished to all Parties who participated in the cost of the data that was traded. Operator shall cause any third party to such trade to enter into an undertaking to keep the traded data confidential.

ARTICLE XVI – FORCE MAJEURE

16.1 Obligations

If as a result of Force Majeure any Party is rendered unable, wholly or in part, to carry out its obligations under this Agreement, other than the obligation to pay any amounts due or to furnish security, then the obligations of the Party giving such notice, so far as and to the extent that the obligations are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused and for such reasonable period thereafter as may be necessary for the Party to put itself in the same position that it occupied prior to the Force Majeure, but for no longer period. The Party claiming Force Majeure shall notify the other Parties of the Force Majeure within a reasonable time after the occurrence of the facts relied on and shall keep all Parties informed of all significant developments. Such notice shall give reasonably full particulars of the Force Majeure, and also estimate the period of time which the Party will probably require to remedy the Force Majeure. The affected Party shall use all reasonable diligence to remove or overcome the Force Majeure situation as quickly as possible in an economic manner, but shall not be obligated to settle any labor dispute except on terms acceptable to it and all such disputes shall be handled within the sole discretion of the affected Party.

16.2 Definition of Force Majeure

For the purposes of this Agreement, "Force Majeure" shall have the same meaning as is set out in the Contract.

ARTICLE XVII - NOTICES

17.1 Notices

Except as otherwise specifically provided, 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 any electronic means of transmitting written communications which provides written confirmation of complete transmission, and addressed to such Parties as designated below. Oral communication does not constitute notice for purposes of this Agreement, and telephone numbers for the Parties are listed below as a matter of convenience only. The originating 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. The second or any responsive notice shall be deemed delivered when received. "Received" for purposes of this Article XVII shall mean actual delivery of the notice to the address of the Party to be notified specified in accordance with this Article XVII. 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 at another address, by giving written notice thereof to all other Parties.

Tullow Ghana Limited

PO Box 532
Channel House
Green Street
St. Helier
Jersey
Channel Islands
JE4 5LW

Attention: Exploration Manager
Telephone: +44 1534 883800
Telefax: +44 1534 883801

Copy to:

Tullow Oil plc
5th Floor
Block C
Central Park
Leopardstown
Dublin 18
Ireland

Attention: West Africa Exploration Manager
Tel: +353 1 213 7300
Fax: +353 1 293 0400

Sabre Oil and Gas Limited

4 Rubislaw Place
Aberdeen
AB10 1XN

Attention: Managing Director
Tel: +44 1244 649 400
Fax: +44 1244 649 700

Kosmos Energy Ghana HC

c/o Kosmos Energy, LLC
8401 N. Central Expressway
Suite 280
Dallas
Texas 75225
USA

Attention: Mr. W. Greg Dunlevy
Tel: +1 214 363 0700
Fax: +1 214 363 9024

ARTICLE XVIII – APPLICABLE LAW AND DISPUTE RESOLUTION

18.1 Applicable Law

This Agreement shall be governed by, construed, interpreted and applied in accordance with the laws of England, excluding any choice of law rules which would refer the matter to the laws of another jurisdiction.

18.2 Dispute Resolution

- (A) Any dispute, controversy or claim arising out of or in relation to or in connection with this Agreement or the operations carried out under this Agreement, including without limitation any dispute as to the construction, validity, interpretation, enforceability or breach of this Agreement, shall be exclusively and finally settled by arbitration in accordance with this Article 18.2. Any Party may submit such a dispute, controversy or claim to arbitration by notice to the other Parties.
- (B) The arbitration shall be heard and determined by three (3) arbitrators. Each side shall appoint an arbitrator of its choice within sixty (60) Days of the submission of a notice of arbitration. The Party-appointed arbitrators shall in turn appoint a presiding arbitrator of the tribunal within sixty (60) Days following the appointment of both Party-appointed arbitrators. If the Party-appointed arbitrators cannot reach agreement on a presiding arbitrator of the tribunal and/or one Party refuses to appoint its Party-appointed arbitrator within said sixty (60) Day period, the appointing authority for the implementation of such procedure shall be the London Court of International Arbitration ("LCIA"), who shall appoint an independent arbitrator who does not have any financial interest in the dispute, controversy or claim. All decisions and awards by the arbitration tribunal shall be made by majority vote.
- (C) Unless otherwise expressly agreed in writing by the Parties to the arbitration proceedings:
- (1) The arbitration proceedings shall be held in London, England;
 - (2) The arbitration proceedings shall be conducted in the English language and the arbitrator(s) shall be fluent in the English language;
 - (3) The arbitrator(s) shall be and remain at all times wholly independent and impartial;
 - (4) The arbitration proceedings shall be conducted under the Arbitration Rules of the LCIA in effect on the Effective Date;
 - (5) Any procedural issues not determined under the arbitral rules selected

pursuant to Article 18.2(C)(4) shall be determined by the arbitration act and any other applicable laws of England, other than those laws which would refer the matter to another jurisdiction;

- (6) The costs of the arbitration proceedings (including attorneys' fees and costs) shall be borne in the manner determined by the arbitrator(s);
- (7) The decision of the sole arbitrator or a majority of the arbitrators, as the case may be, shall be reduced to writing; final and binding without the right of appeal; the sole and exclusive remedy regarding any claims, counterclaims, issues or accountings presented to the arbitrator; made and promptly paid in U.S. dollars free of any deduction or offset; and any costs or fees incident to enforcing the award, shall to the maximum extent permitted by law be charged against the Party resisting such enforcement;
- (8) Consequential, punitive or other similar damages shall not be allowed except those payable to third parties for which liability is allocated among the Parties by the arbitral award or as expressly provided pursuant to the terms of this Agreement;
- (9) The award shall include interest from the date of any breach or violation of this Agreement, as determined by the arbitral award, and from the date of the award until paid in full, at the Agreed Interest Rate; and
- (10) Judgment upon the award may be entered in any court having jurisdiction over the person or the assets of the Party owing the judgment or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be.
- (11) For purposes of allowing the arbitration provided in this Article XVIII, the enforcement and execution of any arbitration decision and award, and the issuance of any attachment or other interim remedy, any governmental body or agency, including if applicable GNPC, which becomes a Party to this Agreement agrees to waive all sovereign immunity by whatever name or title with respect to disputes, controversies or claims arising out of or in relation to or in connection with this Agreement or the operations carried out under this Agreement.
- (12) The arbitration shall proceed in the absence of a Party who, after due notice, fails to answer or appear. An award shall not be made solely on the default of a Party, but the arbitrator(s) shall require the Party who is present to submit such evidence as the arbitrator(s) may determine is reasonably required to make an award.
- (13) If an arbitrator should die, withdraw or otherwise become incapable of serving, or refuse to serve, a successor arbitrator shall be selected and appointed in the same manner as the original arbitrator.

- (14) The arbitral award shall state the names of the arbitrators, the names and addresses of the parties, the names of the parties' representatives, if any, and the date and place where the award was made and shall be signed by each arbitrator (or by a majority of the arbitrators with a statement that a minority of the arbitrators have refused to sign).

ARTICLE XIX – GENERAL PROVISIONS

19.1 Conflicts of Interest

- (A) Operator undertakes that it shall avoid any conflict of interest between its own interests (including the interests of Affiliates) and the interests of the other Parties in dealing with suppliers, customers and all other organisations or individuals doing or seeking to do business with the Parties in connection with activities contemplated under this Agreement.
- (B) The provisions of the preceding paragraph shall not apply to:-
- (1) Operator's performance which is in accordance with the local preference laws or policies of the Government; or
 - (2) Operator's acquisition of products or services from an Affiliate, or the sale thereof to an Affiliate, made in accordance with the terms of this Agreement.

19.2 Public Announcements

- (A) Operator shall be responsible for the preparation and release of all public announcements and statements regarding this Agreement or the Joint Operations; provided that, no public announcement or statement shall be issued or made unless prior to its release all the Parties have been furnished with a copy of such statement or announcement and the approval of the Operating Committee has been obtained. Where a public announcement or statement becomes necessary or desirable because of danger to or loss of life, damage to property or pollution as a result of activities arising under this Agreement, Operator is authorized to issue and make such announcement or statement without prior approval of the Parties, but shall promptly furnish all the Parties with a copy of such announcement or statement.
- (B) If a Party wishes to issue or make any public announcement or statement regarding this Agreement or the Joint Operations, it shall not do so unless prior to its release, such Party furnishes all the Parties with a copy of such announcement or statement, and obtains the approval of the Operating Committee; provided that, notwithstanding any failure to obtain such approval, no Party shall be prohibited from issuing or making any such public announcement or statement if it is necessary to do so in order to comply with the applicable laws, rules or regulations of any

government, legal proceedings or stock exchange having jurisdiction over such Party or its Affiliates as set forth in Articles 15.1(A)(3) and (7).

19.3 Successors and Assigns

Subject to the limitations on transfer contained in Article XII, this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties.

19.4 Waiver

No waiver by any Party of any one or more defaults by another Party in the performance of this Agreement shall operate or be construed as a waiver of any future default or defaults by the same Party, whether of a like or of a different character. Except as 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.

19.5 Severance of Invalid Provisions

If and for so long as any provision of this Agreement shall be deemed to be judged invalid for any reason whatsoever, such invalidity shall not affect the validity or operation of any other provision of this Agreement except only so far as shall be necessary to give effect to the construction of such invalidity, and any such invalid provision shall be deemed severed from this Agreement without affecting the validity of the balance of this Agreement.

19.6 Modifications

Except as is provided in Articles 11.2(B) and 19.5, there shall be no modification of this Agreement or the Contract except by written consent of all Parties.

19.7 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.

19.8 Singular and Plural

Reference to the singular includes a reference to the plural and vice versa.

19.9 Gender

Reference to any gender includes a reference to all other genders.

19.10 Counterpart Execution

This Agreement is executed in any number of original counterparts and each such counterpart shall be deemed an original Agreement for all purposes; provided no Party shall be bound to this Agreement unless and until all Parties have executed a counterpart. For purposes of assembling all counterparts into one document, Operator is authorized to detach the signature page from one or more counterparts and, after signature thereof by the respective Party, attach each signed signature page to a counterpart.

19.11 Warranties as to Payments, Gifts and Loans

(A) Each Party warrants that it and its Affiliates have not made, offered, or authorized and will not make, offer or authorize with respect to the matters which are the subject of this Agreement, any payment, gift, promise or other advantage, whether directly or through any other person or entity, to or for the use or benefit of any public official (i.e. any person holding a legislative, administrative or judicial office, including any person employed by or acting on behalf of a public agency, a public enterprise or a public international organization) or any political party or political party official or candidate for office, where such payment, gift, promise or advantage would violate (i) the applicable laws of Ghana; (ii) the laws of the country of incorporation of such Party or such Party's ultimate parent company and of the principal place of business of such ultimate parent company; or (iii) 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. Each Party shall defend, indemnify and hold the other Parties harmless from and against any and all claims, damages, losses, penalties, costs and expenses arising from or related to, any breach by such first Party of such warranty. Such indemnify obligation shall survive termination or expiration of this Agreement. Each Party shall in good time (i) respond in reasonable detail to any notice from any other Party reasonably connected with the above-stated warranty; and (ii) furnish applicable documentary support for such response upon request from such other Party;

(B) Each Party agrees to (i) maintain adequate internal controls; (ii) properly record and report all transactions; and (iii) comply with the laws applicable to it. Each Party must rely on the other Party's system of internal controls, and on the adequacy of the full disclosure of the facts, and of financial and other data regarding the Joint Operations undertaken under this Agreement. 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 and reporting of assets, liabilities or any other transactions, or which would put such Party in violation of its obligations under the laws applicable to the operations under this Agreement.

19.12 Entirety

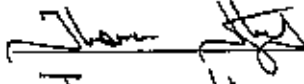
This Agreement is the entire agreement of the Parties with respect to the subject matter contained herein and supersedes all prior understandings and negotiations of the Parties.

19.13 **Rights of Third Parties**

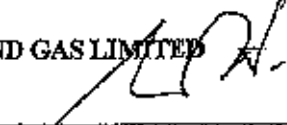
Without prejudice to the rights of any Indemnitee pursuant to Article 4.6, no person other than the Parties shall have any rights under this Agreement or be considered a third party beneficiary hereof and no person shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

IN WITNESS of their agreement each Party has caused its duly authorized representative to sign this instrument on the date indicated below such representative's signature.

TULLOW GHANA LIMITED

By: 
Thomas Hickey
(Print or type name)
Title: Director
Date: 14/8/06

SABRE OIL AND GAS LIMITED

By: 
Anthony J. Wraith
(Print or type name)
Title: Director
Date: 15/8/06

KOSMOS ENERGY GHANA EC

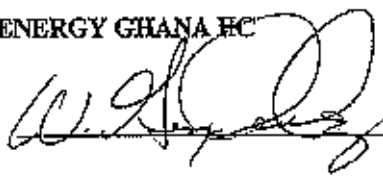
By: 
(Print or type name)
Title: Director
Date: August 10, 2006

EXHIBIT A

Deepwater Tano, Ghana

ACCOUNTING PROCEDURE
TABLE OF CONTENTS

SECTION 1 - GENERAL PROVISIONS	65
1.1 Purpose.....	65
1.2 Conflict with Agreement.....	65
1.3 Definitions.....	65
1.4 Joint Account Records and Currency Exchange.....	66
1.5 Statements and Billings	66
1.6 Payments and Advances	67
1.7 Adjustments	69
1.8 Audits	69
1.9 Allocations	71
SECTION II - DIRECT CHARGES	71
2.1 Licences, Permits, etc	71
2.2 Salaries, Wages and Related Costs.....	71
2.3 Offices, Camps and Miscellaneous Facilities	73
2.4 Material	72
2.5 Exclusively Owned Equipment and facilities of Operator and Affiliates	73
2.6 Services	73
2.7 Affiliate Overheads.....	75
2.8 Insurance	74
2.9 Damages and Losses to Property.....	76
2.10 Litigation and Legal Expenses.....	77
2.11 Taxes and Duties.....	76
2.12 Training Costs.....	76
2.13 Ecological and Environmental	77
2.14 Decommissioning (Abandonment) and Reclamation	78
2.15 Other Expenditures	77
SECTION III - ACQUISITION OF MATERIAL.....	77
3.1 Acquisitions	77
3.2 Materials Furnished by Operator.....	77
3.3 Premium Prices	79
3.4 Warranty of Material Furnished by Operator.....	78
SECTION IV - DISPOSAL OF MATERIALS.....	79
4.1 Disposal.....	79
4.2 Material Purchased by a Party or Affiliate.....	79
4.3 Sale to Third Parties.....	79
SECTION V - INVENTORIES	80
5.1 Periodic Inventories - Notice and Representation.....	80
5.2 Special Inventories.....	80

EXHIBIT "A"
ACCOUNTING PROCEDURE

Attached to and made part of the Operating Agreement, hereinafter called the "Agreement" effective as of the • day of • 2006 by and between Tullow Ghana Limited, Sabre Oil and Gas Limited and Kosmos Energy Ghana HC.

SECTION 1 – GENERAL PROVISIONS

1.1 Purpose

- 1.1.1 The purpose of this Accounting Procedure is to establish equitable methods for determining charges and credits applicable to operations under the Agreement which reflect the costs of Joint Operations to the end that no Party shall gain or lose in relation to other Parties.

It is intended that approval of the Work Programme and Budget and AFEs as provided in the Agreement shall constitute approval of the rates and allocation methods used therein to currently charge the Joint Account. All rates and allocation methods contained in Work Programmes, Budgets and AFEs as provided in this agreement shall be in accordance with Article 1.9, but subject to verification by audit and adjustment to actual at a later date as provided in the Accounting Procedure.

- 1.1.2 The Parties agree, however, that if the methods prove unfair or inequitable to Operator or Non-Operators, the Parties shall meet and in good faith endeavour to agree on changes in methods deemed necessary to correct any unfairness or inequity.

1.2 Conflict with Agreement

In the event of a conflict between the provisions of this Accounting Procedure and the provisions of the Agreement to which this Accounting Procedure is attached, the provisions of the Agreement shall prevail.

1.3 Definitions

The definitions contained in Article 1 of the Agreement to which this Accounting Procedure is attached shall apply to this Accounting Procedure and have the same meanings when used herein. Certain terms used herein are defined as follows:

"Accrual basis" means that basis of accounting under which costs and benefits are regarded as applicable to the period in which the liability for the costs is incurred or the right to the benefit arises, regardless of when invoiced, paid or received.

"Material" shall mean Personal Property, equipment, or supplies acquired for Joint Operations.

"Personal Property" means any Joint property which is moveable or not permanently affixed to the ground or sea floor or which has been so affixed but can be removed without unreasonable damage to such property.

1.4 Joint Account Records and Currency Exchange

1.4.1 Operator shall at all times maintain and keep true and correct records of the production and disposition of all liquid and gaseous Hydrocarbons and of all costs and expenditures under the Agreement, as well as other data necessary or proper for the settlement of accounts between the Parties hereto in connection with their rights and obligations under the Agreement. The Operator will be responsible for the fiscal obligations relating to the Joint Operations save in respect of those taxes which are the legal responsibility of the Government, GNPC or each of the Parties.

1.4.2 Operator shall maintain accounting records pertaining to Joint Operations in accordance with the Contract and generally accepted accounting practices used in the international petroleum industry and any applicable statutory obligations of Ghana as well as the provisions of the Contract and the Agreement.

1.4.3 Joint Account records shall be maintained by Operator in the English language and in United States of America ("US") currency and in such other language and-currency as may be required by the laws of Ghana or the Contract. Conversions of currency shall be recorded at the rate actually experienced in that conversion. Currency translations for expenditures and receipts shall be recorded at the rate established by the standard accounting procedures of the Operator which is currently the arithmetic average of the buying and selling rates at the close of business on the last Business Day of the previous month as quoted by Barclays Bank, London, or if not published, the London Financial Times.

1.4.4 Any realised currency exchange gain or losses shall be credited or charged to the Joint Account, except as otherwise specified in this Accounting Procedure.

1.4.5 This Accounting Procedure shall apply, mutatis mutandis, to Exclusive Operations in the same manner that it applies to Joint Operations; provided, however, that the charges and credits applicable to Consenting Parties shall be distinguished by an Exclusive Operation Account. For the purpose of determining and calculating the remuneration of the Consenting Parties, including the premiums for Exclusive Operations, the costs and expenditures shall be expressed in US currency (irrespective of the currency in which the expenditure was incurred).

1.4.6 The Accruals Basis for accounting shall be used in preparing accounts concerning the Joint Operations.

1.5 Statements and Billings

1.5.1 Unless otherwise agreed by the Parties, Operator shall issue monthly to each Party, on or before the last Day of each month, statements of the costs and expenditures incurred

during the prior month, indicating by appropriate classification the nature thereof, the corresponding budget category AFE and the portion of such costs charged to each of the Parties.

These statements, as a minimum, shall contain the following information:

- Advances of funds received from each Party;
- the share of each Party in total expenditures;
- the accrued expenditures
- the current account balance of each Party; and
- summary of costs, credits and expenditures on a current month, year-to-date and inception-to-date basis;
- details of unusual charges and costs in excess of US\$500,000.

1.5.2 Operator shall, upon request, furnish a description of the accounting classifications used by it.

1.5.3 Amounts included in the statements and billings shall be expressed in US currency.

1.5.4 Each Party shall be responsible for preparing its own accounting and tax reports to meet the requirements of Ghana and of all other countries to which it may be subject. Operator, to the extent that the information is reasonably available from the Joint Account records, shall provide Parties in a timely manner with the necessary statements to facilitate the discharge of such of such responsibility.

1.6 Payments and Advances

1.6.1 Upon approval of any Work Programme, Budget and AFE, if Operator so requests, each Party shall advance its share of estimated cash requirements for the succeeding month's operations. Each such cash call shall be equal to the Operator's estimate of the money to be spent in the currencies required to perform its duties under the approved Work Programme and Budget during the month concerned. The Operator may determine that the cash to be called for a month may be paid in separate amounts within the month. For information purposes the cash call shall contain an estimate of the funds required for the succeeding two (2) months.

1.6.2 Each such cash call, detailed by major budget categories and AFE, shall be made in writing and delivered to all Parties not less than fifteen (15) Days before the payment due date. The due date for payment of such advances shall be set by Operator but shall be no sooner than the first Business Day of the month for which the advances are required. All advances shall be made without bank charges. Any charges related to receipt of advances from a Non-Operator shall be borne by that Non-Operator.

1.6.3 Each Party shall wire transfer its share of the full amount of each such cash call to Operator on or before the due date, in US dollars at a bank designated by Operator. For all payments made by the Operator in currencies other than US dollars, the Operator shall request payment from the Parties in US dollars. It is the intent that none of the Parties shall experience an exchange gain or loss at the expense of, or to the benefit of, the other Parties. If currency provided by a Non-Operator is other than US Dollars, then the entire

cost of converting to US Dollars shall be borne by the Non-Operator.

- 1.6.4 Notwithstanding the provisions of Section 1.6.2, should Operator be required to pay any sums of money for the Joint Operations which were unforeseen at the time of providing the Parties with said estimates of its requirements, Operator may make a written request of the Parties for special advances covering the Parties' share of such payments. Each such Party shall make its proportional special advances within ten (10) Days after receipt of such notice.
- 1.6.5 If a Non-Operator's advances exceed its share of expenditures, the next succeeding cash advance requirements, after such determination, shall be reduced accordingly. A Party may request that its excess advances be refunded. Operator shall make such refund within ten (10) Days after receipt of the Party's request provided that the amount is in excess of US\$500,000. The Operator will make best endeavours to place surplus funds in an interest bearing bank account
- 1.6.6. If a Party's advances are less than its share of expenditures, the deficiency shall, at Operator's option, be added to subsequent cash advance requirements or be paid by such Party within ten (10) Days following receipt of Operator's billing to such Party for such deficiency.
- 1.6.7 If, under the provisions of the Agreement, Operator is required to segregate funds received from the Parties, any interest received on such funds shall be applied against the next succeeding cash call or, if directed by the Operating Committee, distributed quarterly. The interest thus received shall be allocated to the Parties in accordance with their Participating Interests except if a Party is late in making a payment in which case interest will be allocated on an equitable basis taking into consideration date of funding by each Party to the accounts in proportion to the funding into the account. A monthly statement summarising receipts, disbursements, transfers to each joint bank account and beginning and ending balances thereof shall be provided by Operator to the Parties. Any interest received by Operator from interest-bearing accounts containing commingled funds received from the Parties shall be credited to the Parties in accordance with the allocation procedure as set out above.
- 1.6.8 If Operator does not request Non-Operators to advance their share of estimated cash requirements, each Non-Operator shall pay its share of cash expenditures within ten (10) days following receipt of Operator's billing.
- 1.6.9 Payments of advances shall be made on or before the due date. If these payments are not received by the due date the unpaid balance shall bear and accrue interest from the due date until the payment is received by Operator at the Agreed Interest Rate and the provisions of Article VIII of the Agreement shall apply.
- 1.6.10 Subject to governmental regulation, Operator shall have the right, at any time and from time to time, to convert the funds advanced or any part thereof to other currencies to the extent that such currencies are then required for operations. The cost of any such conversion shall be charged to the Joint Account. The conversion rate of various

currencies should be notified in the next billing.

- 1.6.11 Operator shall endeavour to maintain funds held for the Joint Account in bank accounts at a level consistent with that required for the prudent conduct of Joint Operations.

1.7 Adjustments

Payments of any advances or billings shall not prejudice the right of any Party to protest or question the correctness thereof; provided, however, all bills and statements rendered to Parties by Operator during any calendar year shall conclusively be presumed to be true and correct after twenty-four (24) months following the end of such calendar year, unless within the said twenty-four (24) month period a Party takes written exception thereto and makes claim on Operator for adjustment. Failure on the part of a Party to make claim on Operator for adjustment within such period shall establish the correctness thereof and preclude the filing of exceptions thereto or making claims for adjustment thereon. No adjustment favourable to Operator shall be made unless it is advised within the same prescribed period.

The provisions of this paragraph shall not prevent adjustments resulting from a physical inventory of the Property as provided for in Section V. Operator shall be allowed to make adjustments to the Joint Account after such twenty-four (24) month period if these adjustments result from audit exceptions outside of this Agreement, third party claims, or Government or GNPC requirements. Any such adjustments shall be subject to audit within the time period specified in Section 1.8.1.

1.8 Audits

- 1.8.1 A Non-Operator, upon at least sixty (60) Days advance notice in writing to Operator and all other Non-Operators, shall have the right to audit the Joint Accounts and records of Operator relating to the accounting hereunder for any calendar year within the twenty-four (24) month period following the end of such calendar year. The cost of each such audit shall be borne by Parties conducting the audit. It is provided, however, that Non-Operators must take written exception to and make claim upon the Operator for all discrepancies disclosed by said audit within said twenty-four (24) month period. Where there are two or more Non-Operators, the Non-Operators shall make every reasonable effort to conduct joint or simultaneous audits in a manner which will result in a minimum of inconvenience to the Operator. Operator and Non-Operators shall make every effort to resolve any claim resulting from an audit within ninety (90) days of the receipt of the audit report. If at the conclusion of the ninety (90) day period the claim remains unresolved, the matter will be referred back to the Operating Committee.
- 1.8.2 Any information obtained by a Non-Operator under the provisions of this Section 1.8 shall be kept confidential and shall not be disclosed to any third party, except as would otherwise be permitted by Article 15.1 (A) (3) and (9) of the Agreement.
- 1.8.3 The Operator's Affiliate's records in respect of services referred to in Section 2.6.2 shall not be subject to audit. The Non-Operators will be granted the opportunity to provide an audit programme questionnaire to the Operator's statutory auditors with regard to the form and content of their audit of the Operator's cost allocation procedures,

administrative costs and time-writing. On completion of their audit the Operator's statutory auditors will provide the Operator with a detailed report with their conclusions as to whether the cost allocation procedures have been followed and whether these procedures are fair and reasonable. The Operator shall distribute this report to the Non-Operators. If the Operator's statutory auditors decline to provide such a report, the Non-Operators shall select an internationally reputable independent firm of public accountants to provide such report pursuant to instructions given by the Non-Operators. These instructions shall be handed over to the Operator. The Operator shall accept such firm selected by non-Operators unless it causes a conflict of interest. All costs of the audits specified in this Article 1.8.3 shall be borne by the Non-Operators unless the Operating Committee confirms that the Operator's cost allocation procedures have not been followed as provided for in Article 1.9, in which case, the audit costs shall be charged to the Joint Account.

- 1.8.4 In the event that the Operator is required by the Government, or by GNPC, to employ a public accounting firm to audit the Joint Account and records of Operator relating to the accounting hereunder, the cost thereof shall be a charge against the Joint Account and a copy of the audit certificate/report shall be furnished to each Party.
- 1.8.5 At the conclusion of each audit, the Parties shall endeavour to settle outstanding matters expeditiously. To this end the Parties conducting the audit will make a reasonable effort to prepare and distribute a written report to the Operator and all the Parties who participated in the audit as soon as possible and in any event within ninety (90) Days after the conclusion of each audit. The report shall include all claims arising from such audit together with comments pertinent to the operation of the accounts and records. Operator shall make a reasonable effort to reply to the report in writing as soon as possible and in any event no later than ninety (90) Day after receipt of the report. Should the Non-Operators consider that the report or reply requires further investigation of any item therein, the Non-Operators shall have the right to conduct further investigation in relation to such matter notwithstanding the provisions of Sections 1.7 and 1.8.1 that the period of twenty-four (24) months may have expired. However, conducting such further investigation shall not extend the twenty-four (24) month period for taking written exception to and making a claim upon the Operator for all discrepancies disclosed by said audit. Such further investigations shall be commenced within thirty (30) Days and be concluded within sixty (60) Days after the receipt of such report or reply, as the case may be.
- 1.8.6 All adjustments resulting from an audit agreed between the Operator and the Non-Operator conducting the audit shall be reflected promptly in the Joint Account by the Operator and reported to the Non-Operator(s). If any dispute shall arise in connection with an audit, it shall be reported to and discussed by the Operating Committee, and, unless otherwise agreed by the parties to the dispute, resolved in accordance with the provisions of Article XVIII of the Agreement. If all the parties to the dispute so agree, the adjustment(s) may be referred to an independent expert agreed to by the parties to the dispute. At the election of the parties to the dispute, the decision of the expert will be binding upon such parties. Unless otherwise agreed, the cost of such expert will be shared equally by all parties to the dispute.

1.9.1 Allocations

If it becomes necessary to allocate any costs or expenditures to or between Joint Operations and any other operations, such allocation shall be made on an equitable basis. For informational purposes only, Operator shall furnish a description of its allocation procedures pertaining to these costs and expenditures and its rates for personnel and other charges, along with each proposed Work Programme and Budget.

SECTION 11 - DIRECT CHARGES

Operator shall charge the Joint Account with all costs and expenditures incurred in connection with Joint Operations. It is also understood that charges for services normally provided by an Operator such as those contemplated in Section 2.6.2 which are provided by Operator's Affiliates shall reflect the cost to the Affiliate, excluding profit, for performing such services, except as otherwise provided in Section 2.6 and Section 2.6.1.

The costs and expenditures shall be recorded as required for the settlement of accounts between the Parties hereto in connection with the rights and obligations under this Agreement and for purposes of complying with the tax laws of Ghana and of such other countries to which any of the Parties may be subject. Without in any way limiting the generality of the foregoing, chargeable costs and expenditures shall include:

2.1 Licences, Permits, etc

All costs, if any, attributable to the acquisition, maintenance, renewal or relinquishment of licences, permits, contractual and/or surface rights acquired for Joint Operations and bonuses paid in accordance with the Contract when paid by Operator in accordance with the provisions of the Agreement.

2.2 Salaries, Wages and Related Costs

2.2.1 The salaries, wages and related costs of the employees of Operator and its Affiliates in Ghana directly engaged in Joint Operations whether temporarily or permanently assigned.

2.2.2 The salaries, wages and related costs of the employees of Operator outside Ghana directly engaged in Joint Operations whether temporarily or permanently assigned.

2.2.3 Salaries and wages shall include everything constituting the employees' total compensation. To the extent not included in salaries and wages, the Joint Account shall also be charged with the cost to Operator of holiday, vacation, sickness, disability benefits, living and housing allowances, travel time, bonuses and other customary allowances applicable to the salaries and wages chargeable hereunder, as well as costs Operator for employee benefits, including but not limited to employee group life insurance, group medical insurance, hospitalisation, retirement and other benefit plans of a like nature applicable to labour costs of Operator. Operator's employees participating in Ghana benefit plans may be charged at a percentage rate to reflect payments or accruals

made by Operator applicable to such employees. Such accruals for Ghana benefit plans shall not be paid by Non-Operators, unless otherwise approved by the Operating Committee, until the same are due and payable to the employee, upon withdrawal of a Party pursuant to the Agreement, or upon termination of the Agreement, whichever occurs first.

- 2.2.4 Expenditures or contributions made pursuant to assessments imposed by governmental authority for payments with respect thereto or on account of such employees.
- 2.2.5 Reasonable expenses (including related travel costs) of those employees whose salaries and wages are chargeable to the Joint Account under Sections 2.2.1 and 2.2.2 of this Section II and for which expenses the employees are reimbursed.
- 2.2.6 If employees are engaged in other activities in addition to the Joint Operations, the cost of such employees shall be allocated in accordance with Article 1.9.
- 2.2.7 Except as provided in Section 2.2.9, Operator's cost of employees' relocation to or from the vicinity or location where the employees will reside or work, whether permanently or temporarily assigned to the Joint Operations. If such employee works on other activities in addition to Joint Operations, such relocation costs shall be allocated in accordance with Article 1.9.
- 2.2.8 Such relocations costs shall include transportation of employees, families, personal and household effects of the employee and family, transit expenses and all other related costs.
- 2.2.9 Relocation costs from the vicinity of Ghana to another location classified as a foreign location by Operator shall not be chargeable to the Joint Account unless such foreign location is the point of origin of the employee.

2.3 Offices, Camps and Miscellaneous Facilities

Cost of maintaining any offices, sub-offices, camps, warehouses, housing and other facilities of the Operator and/or Affiliates directly serving the Joint Operations. If such facilities serve operations in additions to the Joint Operations, the costs shall be allocated to the properties served in accordance with Article 1.9.

2.4 Material

Cost, net of discounts taken by Operator, of Material purchased or furnished by Operator. Such costs shall include, but are not limited to, export broker's fees, transportation charges, loading, unloading fees, export and import duties and licence fees associated with the procurement of Material and in transit losses, if any, not covered by insurance. So far as it is reasonably practical and consistent with efficient and economical operation, only such Material shall be purchased for and the cost thereof to, the Joint Account as may be required for immediate use.

2.5 Exclusively Owned Equipment and facilities of Operator and Affiliates

Charges for exclusively owned equipment, facilities and utilities of Operator and its Affiliates at rates not to exceed the average commercial rates of non-affiliated third parties, then prevailing for like equipment, facilities and utilities for use in the area where the same are used hereunder. Operator shall furnish Non-Operators a list of rates and the basis of application. Such rates shall be revised if found to be either excessive or insufficient every six (6) months.

Drilling tools and other equipment lost in the hole or damaged beyond repair may be charged at replacement cost plus transportation costs to deliver like equipment to the location where used.

2.6 Services

2.6.1 The rates for services provided by Operator's Affiliates and/or third parties within Ghana shall not exceed those rates currently prevailing for services performed by non-affiliated third parties, considering type, quality and availability of such services.

2.6.2 The cost of services performed by Operator's Affiliates technical and professional staff not permanently located within Ghana, shall be charged at the rates generally used by Operator's Affiliates for such personnel and represent the Operator's Affiliates actual cost for that employee or type of employee. These rates shall include all costs incidental to the employment of such personnel but do not include transportation and living expenses which they may incur for the performance of such work. Such expenses shall be charged separately.

As early as possible, the Operator shall provide the Non-Operator with the rates referred to above for each contract year. Estimated rates will be used during the contract year which will be retrospectively adjusted to actual rates within three (3) months of the end of the Operator's Affiliates financial year.

Examples of such services include, but are not limited to, the following:

- Geological Studies and Interpretation
- Seismic Data Processing
- Well Log Analysis, Correlation and Interpretation
- Laboratory Services
- Well Site Geology
- Project Engineering
- Source Rock Analysis
- Petrophysical Analysis
- Geochemical Analysis
- Drilling Supervision
- Development Evaluation
- Project Accounting and professional services

Costs shall include salaries and wages of such technical and professional personnel, lost time, governmental assessments, employee benefits and reasonable expenses. Costs shall also include all support costs necessary for such technical and professional personnel to perform such services, such as, but not limited to, rent, utilities, support staff, drafting, telephone and other communications expenses, computer support, supplies and depreciation and administrative overhead.

2.7 Affiliate Overhead

2.7.1 Purpose

Operator shall charge the Joint Account monthly for the cost of indirect services and related office costs of Operator and its Affiliates not otherwise provided in this Accounting Procedure. Indirect costs chargeable under this Section 2.7 represent the cost of general assistance and support services provided by Operator and its Affiliates. These costs are such that it is not practical to identify or associate them with specific projects but are for services which provide the Joint Operations with needed and necessary resources which Operator requires and provide a real benefit to Joint Operations. No cost or expenditure included under other parts of Section II shall be included or duplicated under this Section 2.7. The charges under Section 2.7 are not subject to audit under Sections 1.8.1 and 1.8.2 other than to verify that the overhead percentages are applied correctly to the expenditure basis.

2.7.2 Amount

2.7.2.1 The indirect charge under Section 2.7.1 for any month shall equal the greater of the total amount of indirect charges for the period beginning at the start of the Calendar Year through the end of the period covered by Operator's invoice ("Year-to-Date") determined under Section 2.7.2.2, less indirect charges previously made under Section 2.7.1 for the Calendar Year in question, or the amount of the minimum assessment determined under Section 2.7.2.3, calculated on an annualised basis (but reduced pro rata for periods of less than one year), less indirect charges previously made under Section 2.7.1 for the Calendar Year in question.

2.7.2.2 Unless exceeded by the minimum assessment under Section 2.7.2.3, the aggregate Year-to-Date indirect charges shall be a percentage of the Year-to-Date expenditures, calculated on the following scale (US Dollars):

Annual Expenditures

US\$0 to US\$5,000,000 of expenditures = 5%

Next US\$10,000,000 of expenditures = 3%

Excess above US\$15,000,000 of expenditures = 1%

2.7.2.3 A minimum amount of US\$50,000 shall be assessed each Calendar Year calculated from the Effective Date and shall be reduced pro rata for periods of less than a year.

2.7.2.4 Indirect Charge for Projects

As to major projects (such as, but not limited to, pipelines, gas reprocessing and processing plants, final loading and terminalling facilities, and dismantling for decommissioning of platforms and related facilities) when the estimated cost of each project amounts to more than US\$50,000,000 a separate indirect charge for such project shall be approved by the Operating Committee at the time of approval of the project.

During its process of winding-up Joint Operations Operator shall have the right to charge the greater of the sliding scale percentage rate or the minimum indirect charge for a period of twenty-four (24) months. If the winding-up process continues beyond the end of such period, the charge shall be confined to and based upon the sliding scale percentage rate.

Notwithstanding the foregoing, the indirect rates and related calculation method for development operations, production operations, and dismantling for decommissioning of platforms and related facilities shall be agreed upon by the Operating Committee prior to the submission of the first annual budget for those phase of operations.

2.7.3 Exclusions

The expenditures used to calculate the monthly indirect charge shall not include the indirect charge (calculated either as a percentage of expenditures or as a minimum monthly charge), rentals on surface rights acquired and maintained for the Joint Account, guarantee deposits, pipeline tariffs, concession acquisition costs, bonuses paid in accordance with the Contract, royalties and taxes on production or revenue to the Joint Account paid by Operator, expenditures associated with major construction projects for which a separate indirect charge is established hereunder, payments to third parties in settlement of claims, and other similar items.

Credits arising from any government subsidy payments, disposition of Material, and receipts from third parties for settlement of claims shall not be deducted from total expenditures in determining such indirect charge.

2.8 Insurance

Premiums paid for insurance required by law or the agreement to be carried for the benefit of the Joint Operations.

2.9 Damages and Losses to Property

2.9.1 All costs or expenditures necessary to replace or repair damages or losses incurred by fire, flood, storm, theft, accident, or any other cause. Operator shall furnish Non-Operator written notice of damages or losses incurred in excess of US\$500,000 as soon as practical after report of the same has been received by Operator.

2.9.2 Credits for settlements received from insurance carried for the benefit of Joint Operations and from others for losses or damages to Joint Property or Materials. Each Party shall be credited with its Participating Interest share thereof except where such receipts are derived from insurance purchases by Operator for less than all Parties in which event such proceeds shall be credited to those Parties for whom the insurance was purchased in the proportion of their respective contributions toward to insurance coverage.

2.9.3 Expenditures incurred in the settlement of all losses, claims, damages, judgements and other expenses for the account of Joint Operations.

2.10 Litigation and Legal Expenses

The costs and expenses of litigation and legal services necessary for the protection of the Joint Operations under this Agreement as follows:

2.10.1 Legal services necessary or expedient for the protection of the Joint Operations and all costs and expenses of litigation, arbitration or other alternative dispute resolution procedure, including reasonable attorneys' fees and expenses, together with all judgements obtained against the Parties or any of them arising from the Joint Operations.

2.10.2 If the Operating Committee shall so agree, actions or claims affecting the Joint Operations hereunder may be handled by the legal staff of one or any of the Parties hereto; and a charge commensurate with the reasonable costs of providing and furnishing such services rendered may be made by the Party providing such service to Operator for the Joint Account, but no such charges shall be made until approved by the Parties.

2.11 Taxes and Duties

All taxes, duties, assessments and governmental charges, of every kind and nature, assessed or levied upon or in connection with the Joint Operations, other than any that are measured by or based upon the revenues, income and net worth of a Party, or any penalties arising as a result of mismanagement and late payment of taxes by the Operator.

If Operator or an Affiliate is subject to income or withholding tax as a result of services performed at cost for the operations under the Agreement, its charges for such services may be increased by the amount of such taxes incurred (grossed up).

2.12 Training Costs

All costs and expenses incurred for training and developing personnel in accordance with the provisions of the contract or other obligation.

- 2.13 Ecological and Environmental**
Costs to provide or have available pollution containment and removal equipment plus costs of actual control, clean up and remediation of petroleum spills.
- 2.14 Decommissioning (Abandonment) and Reclamation**
Costs incurred for decommissioning (abandonment) and reclamation of the Joint Property, including costs required by governmental or other regulatory authority or by the Contract.
- 2.15 Other Expenditures**
Any other costs and expenditures incurred by Operator for the necessary and proper conduct of the Joint Operations in accordance with approved Work Programmes and Budgets and not covered in this Section II.

SECTION III - ACQUISITION OF MATERIAL

3.1 Acquisitions

Materials purchased for the Joint Account shall be charged at net cost paid by the Operator and recorded in the accounting records in accordance with the standard accounting procedures of the Operator. The price of Materials purchased shall include, but shall not be limited to export broker's fees, insurance, transportation charges, loading and unloading fees, import duties, licence fees and demurrage (retention charges) associated with the procurement of Materials and applicable taxes, less all discounts taken.

3.2 Materials Furnished by Operator

Materials required for operations shall be purchased for direct charge to the Joint Account whenever practicable, except the Operator may furnish such Materials from its stock under the following conditions:

- 3.2.1 New Materials (Condition «1»). New Materials transferred from the warehouse or other properties of Operator shall be priced at net cost determined in accordance with Section 3.1 above.
- 3.2.2 Used Materials (Conditions «2» and «3»).
- 3.2.2.1 Material which is in sound and serviceable condition and suitable for use without repair or reconditioning shall be classed as Condition «2» and priced at seventy-five percent (75%) of actual historical cost.
- 3.2.2.2 Materials not meeting the requirements of Section 3.2.2.1 above, but which can be made suitable for use after being repaired or reconditioned, shall be classed as Condition «3» and priced at fifty percent (50%) of actual historical cost after repairs and reconditioning.

3.2.2.3 Material which cannot be classified as Condition «2» or Condition «3» shall be priced at a value commensurate with its use.

3.2.2.4 Tanks, derricks, buildings and other items of Material involving erection costs, if transferred in knocked-down condition, shall be graded as to condition as provided in this Section 3.2.2 of Section III and priced on the basis of actual historical cost.

3.2.2.5 Material including drill pipe, casing and tubing, which is no longer useable for its original purpose but is useable for some other purpose, shall be graded as to condition as provided in this Section 3.2.2 of Section III. Such Material shall be priced on the basis of the current price of items normally used for such other purpose if sold to third parties.

3.3 Premium Prices

Whenever Material is not readily obtainable at prices specified in Sections 3.1 and 3.2 of this Section III because of national emergencies, strikes or other unusual causes over which Operator has no control, Operator may charge the Joint Account for the required Material at Operator's actual cost incurred procuring such Material, in making it suitable for use, and moving it to the Contract Area, provided that notice in writing, including a detailed description of the Material required and the required delivery date, is furnished to Non-Operators of the proposed charge at least 3 Days (or such shorter period as may be specified by Operator) before the Material is projected to be needed for operations and prior to billing Non-Operators for such Material the cost of which exceeds US\$500,000. Each Non-Operator shall have the right, by so electing and notifying Operator within 3 days (or such shorter period as may be specified by Operator) after receiving notice from Operator, to furnish in kind all or part of his share of such Material per the terms of the notice which is suitable for use and acceptable to Operator both as to quality and time of delivery. Such acceptance by Operator shall not be unreasonably withheld. If Material furnished is deemed unsuitable for use by Operator, all costs incurred in disposing of such Material or returning Material to owner shall be borne by the Non-Operator furnishing the same unless otherwise agreed by the Parties. If a Non-Operator fails to properly submit an election notification within the designated period, Operator is not required to accept Material furnished in kind by that Non-Operator. If Operator fails to submit proper notification prior to billing Non-Operators for such Material, Operator shall only charge the Joint Account on the basis of the price allowed during a "normal" pricing period in effect at time of movement.

3.4 Warranty of Material Furnished by Operator

Under circumstances where the Operator furnishes material from their own inventory then the following shall apply.

- (a) in the case of new unused items the Operator shall ensure that all warranties and guarantees issued by the manufacturer are transferred to the Joint Account. In case of defective Material, credit shall not be passed to

the Joint account until adjustment has been received by Operator from the manufacturers or their agents.

- (b) in the case of used second-hand material the Operator is deemed at the time of transfer to certify that the material is fit for purpose. In case of defective material the Operator is required to credit the Joint Account in full.

SECTION IV - DISPOSAL OF MATERIALS

4.1 Disposal

Operator shall be under no obligation to purchase the interest of Non-Operators in new or used surplus Materials. Subject to the conditions stipulated in the Contract, Operator shall have the right to dispose of Materials but shall advise and secure prior agreement of the Operating Committee of any proposed disposition of Materials having an original cost to the Joint Account either individually or in the aggregate of US\$500,000 or more. When Joint Operations are relieved of Material charged to the Joint Account, Operator shall advise each Non-Operator of the original cost of such Material to the Joint Account so that the Parties may eliminate such costs from their asset records. Credits for Material sold by Operator shall be made to the Joint Account in the month in which the payment is received for the Material. Any Material sold or disposed of under this Section shall be on an 'as is, where is' basis without guarantees or warranties of any kind of nature. Costs and expenditures incurred by Operator in the disposition of Materials shall be charged to the Joint Account.

4.2 Material Purchased by a Party or Affiliate

Material purchased from the Joint Property by a Party or an Affiliate thereof shall be credited by Operator to the Joint Account, with new Material valued in the same manner as new Material under Section 3.2.1 and used Material valued in the same manner as used Material under Section 3.2.2, unless otherwise agreed by the Parties.

4.3 Sale to Third Parties

Material purchased from the Joint Property by third parties shall be credited by Operator to the Joint Account at the net amount collected by Operator from the Buyer. If on transactions in excess of US\$100,000 the sales price is less than that determined in accordance with the procedure set forth in Section 4.2, then approval by the Parties shall be required prior to the sale. Any claims by the buyer for defective materials or otherwise shall be charged back to the sale. Any claims by the buyer for defective materials or otherwise shall be charged back to the Joint Account if and when paid by Operator.

SECTION V - INVENTORIES

5.1 Periodic Inventories -- Notice and Representation

At reasonable intervals, inventories shall be taken by Operator of all Material on which detailed accounting records are normally maintained. The expense of conducting periodic inventories shall be charged to the Joint Account. Operator shall give Non-Operators written notice at least thirty (30) Days in advance of its intention to take inventory and Non-Operators, at their sole cost and expense, shall each be entitled to have a representative present. The failure of any Non-Operator to be represented at such inventory shall bind such Non-Operator to accept the inventory taken by Operator, who shall in that event furnish each Non-Operator with a reconciliation of overages and shortages. Inventory adjustments to the Joint Account shall be made for overages and shortages. Any adjustment equivalent to US\$500,000 or more shall be brought to the attention of the Operating Committee.

5.2 Special Inventories

Whenever there is a sale or change of interest in the Agreement, a special inventory may be taken by the Operator provided the seller and/or purchaser of such interest agrees to bear all the expense thereof. In such cases, both the seller and the purchaser shall be entitled to be represented and shall be governed by the inventory so taken.

NOVATION AGREEMENT

THIS NOVATION AGREEMENT is made this 1ST day of September 2006 by and among **Tullow Ghana Limited**, a Jersey company having its registered office at P.O. Box 532, Channel House, 7 Esplanade, St. Helier, Jersey, Channel House, JE4 5UW ("Tullow"), **Kosmos Energy Ghana HC**, a Cayman Islands company having its registered office at P.O. Box 1350 GT, Clifton House, 75 Fort Street, George Town, Grand Cayman, Cayman Islands ("Kosmos"), **Sabre Oil and Gas Limited**, a Scottish company having its registered office at 4 Rubislaw Place, Aberdeen, Scotland, AB10 1XN ("Sabre") and **Anadarko WCTP Company**, a company organised and existing under the laws of the Cayman Islands and having a office at 1201 Lake Robbins Drive, The Woodlands, Texas 77380 ("Anadarko"),

collectively referred to as the "**Parties**" and individually as a "**Party**".

WITNESSETH:

WHEREAS, Tullow, Kosmos and Sabre are party to a Petroleum Agreement dated 10 March 2006 (the "**Petroleum Agreement**") and a Joint Operating Agreement dated 15 August 2006 which relate to an area described as the Deepwater Tano Block, offshore Ghana (the "**JOA**", referred to together with the Petroleum Agreement as the "**Related Documents**");

WHEREAS, Kosmos and Anadarko have executed a Farm-out Agreement dated 9 March, 2006 (the "**Farm-out Agreement**") under which, inter alia, Kosmos wishes to be released from, and Anadarko wishes to assume, the future liabilities and perform the future obligations of Kosmos in respect of an undivided twenty percent (20%) Participating Interest (as defined in the JOA) assigned from Kosmos' rights, privileges, duties and obligations under the JOA (the "**Subject Interest**");

WHEREAS, Anadarko acquired an undivided eighteen percent (18%) interest in the Petroleum Agreement pursuant to the Farm-Out Agreement and by virtue of a Deed of Assignment made between Kosmos, Anadarko, the Minister of Energy representing the Government of Ghana and the Ghana National Petroleum Corporation and,

WHEREAS, Tullow, Kosmos, Sabre and Anadarko have agreed to execute this Novation Agreement, confirming the release of Kosmos and consent to the assumption by Anadarko, respectively, of the Subject Interest on the terms set out herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereby agree as follows:

1. This Novation Agreement shall have effect as of and from 1st September 2006 (the "**Effective Date**").
2. Each of the Parties severally agrees that with effect on and from the Effective Date:
 - (a) Kosmos shall cease to be liable for the Subject Interest and Anadarko shall take the place of Kosmos in respect of the Subject Interest and shall assume the obligations and liabilities and be entitled to the rights and benefits thereof in place of Kosmos;

- (b) Kosmos shall continue to be liable for all liabilities, obligations, duties and claims arising under the JOA in respect of the Subject Interest, whether actual, accrued or contingent, if any, relating to the period before the Effective Date;
 - (c) Anadarko undertakes and covenants as a separate obligation with each of Tullow, Kosmos and Sabre to observe, perform, discharge and be bound by all liabilities, obligations, duties, and claims arising under the JOA in respect of the Subject Interest in the place of Kosmos whether actual, accrued, contingent or otherwise arising on or after the Effective Date;
 - (d) each of Tullow and Sabre release and discharge Kosmos from its liabilities, obligations, duties and claims assumed by Anadarko pursuant to sub-clauses 2(a) and 2(c) above and accept the assumption by Anadarko of such liabilities, obligations, duties and claims in place thereof, and Anadarko hereby agrees to indemnify and hold harmless each of Tullow, Kosmos and Sabre in respect of any damage, loss, proceeding, injury, claim, expense or cost (including reasonable legal costs) for which Kosmos would have been liable but for the release and discharge referred to in this sub-clause 2(d); and
3. Article 3.2 (A) of the JOA is hereby amended, so that the list of Participating Interests of the parties therein shall read as follows:
- | | |
|----------|-------|
| Tullow | 55.5% |
| Kosmos | 20.0% |
| Sabre | 4.5% |
| Anadarko | 20.0% |
4. Anadarko shall be responsible for payment in a timely fashion of all and any stamp duties and taxes (including interest, penalties and/or fines) payable on or in respect of the assignment of the Subject Interest including, for the avoidance of doubt, the execution and enforcement of this Novation Agreement, and shall indemnify each of the other Parties hereto in respect of any costs (including reasonable legal costs), expenses, loss or damage occasioned by their failure to pay such stamp duty and taxes or any delay in paying such stamp duty and taxes.
5. This Novation Agreement shall be treated as constituting all actions, consents, confirmations, agreements and undertakings required under the JOA in respect of the assignment of the Subject Interest.
6. Except as expressly provided in this Novation Agreement, all other provisions of the JOA shall remain in full force and effect and binding on the parties thereto, insofar as the same are in force and effect and binding on those parties immediately prior to the Effective Date.
7. Each reference in this Novation Agreement (including the Recitals) to the JOA shall be construed and have effect as a reference to the same as it may have been supplemented and/or amended and/or extended and/or novated prior to the Effective Date.

8. For the purpose of service of notices under the terms of Article 17 of the JOA and Article 27 of the Petroleum Agreement, the contact details of Anadarko are:

Anadarko WCTP Company

1201 Lake Robbins Drive

The Woodlands, Texas 77380

Attn: Jonathon Leason

Facsimile: (1) 832 636 8020

Telephone: (1) 832 636 3180

9. This Novation Agreement may be executed in any number of counterparts with the same effect as if the signatures on the counterparts were upon a single engrossment of this Novation Agreement provided that this Novation Agreement shall not be effective until all the counterparts have been executed.
10. Nothing in this Novation Agreement shall confer on any third party any right to enforce any term of this Novation Agreement.
11. This Novation Agreement is governed by and shall be construed in accordance with the laws of England.

IN WITNESS WHEREOF this Novation Agreement has been executed on behalf of the Parties on the day and year first above written

TULLOW GHANA LIMITED

BY: [Signature]

NAME: Tom Hilkey

TITLE: Director

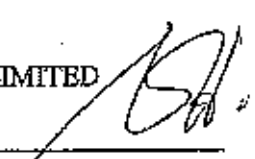
KOSMOS ENERGY GHANA HC

BY: [Signature]

NAME: Greg. Dunlop

TITLE: UP

SABRE OIL AND GAS LIMITED

BY: 

NAME: A. S. Wright

TITLE: Director

ANADARKO WCTP COMPANY

BY: 

NAME: Jonathan O'Leary

TITLE: VICE PRESIDENT

NOVATION AGREEMENT

TANO DEEP

THIS NOVATION AGREEMENT is made this *31st* day of *March* 2008 by and among **Tullow Ghana Limited**, a Jersey company having its registered office at P.O. Box 532, Channel House, 7 Esplanado, St. Helier, Jersey, Channel House, JE4 5UW ("**Tullow**"), **Kosmos Energy Ghana HC**, a Cayman Islands company having its registered office at P.O. Box 1350 GT, Clifton House, 75 Fort Street, George Town, Grand Cayman, Cayman Islands ("**Kosmos**"), **Anadarko WCTP Company**, a Cayman Islands company having its office at 1201 Lake Robbins Drive, The Woodlands, Texas 77380 ("**Anadarko**"); **Sabre Oil and Gas Limited**, a Scottish company having its registered office at 4 Rubislaw Place, Aberdeen, Scotland, AB10 1XN ("**Sabre**"), and **Sabre Oil & Gas Holdings Limited**, a British Virgin Islands company having its registered office at Akara Bldg., 24 de Castro Street, Wickhams Cay I, Road Town, Tortola, British Virgin Islands ("**Sabre Holdings**"), collectively referred to as the "**Parties**" and individually as a "**Party**".

WITNESSETH:

WHEREAS, Tullow, Kosmos, Anadarko, and Sabre are party to a Petroleum Agreement dated 10 March 2006 (the "**Petroleum Agreement**") and a Joint Operating Agreement dated 15 August 2006, as it may have been amended, (the "**JOA**"), which relate to an area described as the Deepwater Tano Block, offshore Ghana, the Petroleum Agreement and the JOA referred to together as the "**Related Documents**";

WHEREAS, as part of a group re-structuring Sabre has assigned its entire undivided Participating Interest in Sabre's rights, privileges, duties and obligations under the Related Documents (the "**Subject Interest**") to its Affiliate Sabre Holdings.

WHEREAS, with effect from the Effective Date, Sabre wishes to be released from, and Sabre Holdings wishes to assume, the liabilities and perform the obligations of Sabre in respect of the Subject Interest.

WHEREAS, Tullow, Kosmos, Anadarko, and Sabre have agreed to execute this Novation Agreement, confirming the release of Sabre and consent to the assumption by Sabre Holdings of the Subject Interest on the terms set out herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereby agree as follows:

1. This Novation Agreement shall have effect as of and from 14th June 2007 (the "**Effective Date**").

2. Each of the Parties severally agrees that with effect on and from the Effective Date:
- (a) Sabre shall cease to be liable for the Subject Interest and Sabre Holdings shall take the place of Sabre in respect of the Subject Interest and shall assume the obligations and liabilities and be entitled to the rights and benefits thereof in place of Sabre;
 - (b) Sabre shall continue to be liable for all liabilities, obligations, duties and claims arising under the Related Documents in respect of the Subject Interest, whether actual, accrued or contingent, if any, relating to the period before the Effective Date;
 - (c) Sabre Holdings undertakes and covenants as a separate obligation with each of Tullow, Kosmos, and Anadarko, to observe, perform, discharge and be bound by all liabilities, obligations, duties and claims arising under the Related Documents in respect of the Subject Interest in the place of Sabre whether actual, accrued, contingent or otherwise arising on or after the Effective Date;
 - (d) Tullow, Kosmos, and Anadarko respectively release and discharge Sabre from its liabilities, obligations, duties and claims assumed by Sabre Holdings pursuant to sub-clauses 2(a) and 2(c) above and accepts the assumption by Sabre Holdings of such liabilities, obligations, duties and claims in place thereof, and Sabre Holdings hereby agrees to indemnify and hold harmless each of Tullow, Kosmos, and Anadarko in respect of any damage, loss, proceeding, injury, claim, expense or cost (including reasonable legal costs) for which Sabre would have been liable but for the release and discharge referred to in this sub-clause 2(d).
3. Article 3.2 (A) of the JOA is hereby amended, so that the list of Participating Interests of the parties therein shall read as follows:
- | | |
|----------------|-------|
| Tullow | 55.5% |
| Kosmos | 20.0% |
| Sabre Holdings | 4.5% |
| Anadarko | 20.0% |
4. Sabre Holdings shall be responsible for payment in a timely fashion of all and any stamp duties and taxes (including interest, penalties and/or fines) payable on or in respect of the assignment of the Subject Interest including, for the avoidance of

doubt, the execution and enforcement of this Novation Agreement, and shall indemnify each of the other Parties hereto in respect of any costs (including reasonable legal costs), expenses, loss or damage occasioned by their failure to pay such stamp duty and taxes or any delay in paying such stamp duty and taxes.

5. This Novation Agreement shall be treated as constituting all actions, consents, confirmations, agreements and undertakings required of the Parties under the Related Documents in respect of the assignment of the Subject Interest.
6. Except as expressly provided in this Novation Agreement, all other provisions of the Related Documents shall remain in full force and effect and binding on the parties thereto, insofar as the same are in force and effect and binding on those parties immediately prior to the Effective Date.
7. Each reference in this Novation Agreement (including the Recitals) to the Related Documents shall be construed and have effect as a reference to the same as it may have been supplemented and/or amended and/or extended and/or novated prior to the date hereof.
8. For the purpose of service of notices under the terms of Article 17 of the JOA and Article 27 of the Petroleum Agreement, the contact details of Sabre Holdings are:

Sabre Oil & Gas Holdings Limited

18 Avenue Louis-Casai
CH-1209 Geneva
Switzerland

Attn: David Lampe

Facsimile: +41 22 747 7990

9. This Novation Agreement may be executed in any number of counterparts with the same effect as if the signatures on the counterparts were upon a single engrossment of this Novation Agreement provided that this Novation Agreement shall not be effective until all the counterparts have been executed.
10. Nothing in this Novation Agreement shall confer on any third party any right to enforce any term of this Novation Agreement.

11. Words and expressions defined in the JOA shall have the same meaning when used in this Novation Agreement
12. This Novation Agreement is governed by and shall be construed in accordance with the laws of England.

IN WITNESS WHEREOF this Novation Agreement has been executed on behalf of the Parties on the day and year first above written

TULLOW GHANA LIMITED

BY: [Signature]

NAME: Mr. R. L. Jeens

TITLE: Director A

[Signature]
KOSMOS ENERGY GHANA HC

BY: _____

NAME: _____

TITLE: _____

ANADARKO WCTP COMPANY

BY: _____

NAME: _____

TITLE: _____

[Signature]
MR. A. E. DRIESSEN

Director A

11. Words and expressions defined in the JOA shall have the same meaning when used in this Novation Agreement
12. This Novation Agreement is governed by and shall be construed in accordance with the laws of England.

IN WITNESS WHEREOF this Novation Agreement has been executed on behalf of the Parties on the day and year first above written

TULLOW GHANA LIMITED

BY: _____

NAME: _____

TITLE: _____

KOSMOS ENERGY GHANA HC

BY: William S. Hayes

NAME: WILLIAM S. HAYES

TITLE: VCC PRESIDENT/SECRETARY

ANADARKO WCTP COMPANY

BY: _____

NAME: _____

TITLE: _____

KOSMOS ENERGY GHANA HC

BY: _____

NAME: _____

TITLE: _____



ANADARKO WCTP COMPANY

BY: *[Signature]*

NAME: Robert K. Reeves

TITLE: Director

SABRE OIL AND GAS LIMITED

BY: *[Signature]*

NAME: ANDREW MUIR DONALD

TITLE: DIRECTOR

SABRE OIL & GAS HOLDINGS LIMITED

BY: _____

NAME: _____

TITLE: _____

SABRE OIL AND GAS LIMITED

BY: _____

NAME: _____

TITLE: _____

SABRE OIL & GAS HOLDINGS LIMITED

BY: _____

NAME: _____

TITLE: _____

ATTACHED TO AND MADE PART OF THE UNITIZATION AND UNIT OPERATING AGREEMENT BY AND BETWEEN GHANA NATIONAL PETROLEUM CORPORATION, TULLOW GHANA LIMITED, KOSMOS ENERGY GHANA HC, ANADARKO WCTP COMPANY, SABRE OIL & GAS HOLDINGS LIMITED, AND EO GROUP LIMITED
(THE "AGREEMENT")

EXHIBIT "V"

WCTP JOA

[Handwritten initials]
JA
AM JB

JOINT OPERATING AGREEMENT

KOSMOS ENERGY GHANA HC (1)

THE E.O. GROUP (2)

**OPERATING AGREEMENT IN RESPECT OF
WEST CAPE THREE POINTS BLOCK
OFFSHORE GHANA**

INDEX

ARTICLE I - DEFINITIONS.....	4
ARTICLE II - EFFECTIVE DATE AND TERM.....	8
ARTICLE III - SCOPE.....	8
3.1 Scope.....	8
3.2 Participating Interest.....	8
3.3 Ownership, Obligations and Liabilities Ownership.....	9
3.4 Government Participation.....	9
ARTICLE IV - OPERATOR.....	9
4.1 Designation of Operator Designation.....	9
4.2 Rights and Duties of Operator.....	9
4.3 Employees of Operator.....	11
4.4 Information Supplied by Operator.....	11
4.5 Settlement of Claims and Lawsuits.....	12
4.6 Limitation on Liability of Operator.....	12
4.7 Insurance Obtained by Operator.....	13
4.8 Commingling of Funds.....	14
4.9 Resignation of Operator.....	14
4.10 Removal of Operator.....	14
4.11 Appointment of Successor.....	15
ARTICLE V - OPERATING COMMITTEE.....	16
5.1 Establishment of Operating Committee.....	16
5.2 Powers and Duties of Operating Committee.....	16
5.3 Authority to Vote.....	16
5.4 Subcommittees.....	16
5.5 Notice of Meeting.....	16
5.6 Contents of Meeting Notice.....	17
5.7 Location of Meetings.....	17
5.8 Operator's Duties for Meetings.....	17
5.9 Voting Procedure.....	17
5.10 Record of Votes.....	17
5.11 Minutes.....	17
5.12 Voting by Notice.....	18
5.13 Effect of Vote.....	18
5.14 Management Committee Participation.....	19
ARTICLE VI - WORK PROGRAMS AND BUDGETS.....	20
6.1 Exploration and Appraisal.....	20
6.2 Development.....	21
6.3 Itemization of Expenditures.....	22
6.4 Contract Awards.....	22
6.5 Authorization for Expenditure ("AFE") Procedure.....	24
6.6 Overexpenditures of Work Programs and Budgets.....	24
ARTICLE VII - OPERATIONS BY LESS THAN ALL PARTIES.....	24
7.1 Limitation on Applicability.....	24
7.2 Procedure to Propose Exclusive Operations.....	25
7.3 Responsibility for Exclusive Operations.....	26
7.4 Consequences of Exclusive Operations.....	26
7.5 Premium to Participate in Exclusive Operations.....	29
7.6 Order of Preference of Operations.....	29
7.7 Stand-By Costs.....	30
7.8 Use of Property.....	30

7.9	Production Bonuses.....	31
7.10	Miscellaneous.....	31
ARTICLE VIII - DEFAULT.....		32
8.1	Default and Notice.....	32
8.2	Operating Committee Meetings and Data.....	32
8.3	Allocation of Defaulted Accounts.....	33
8.4	Remedies.....	33
8.5	Survival.....	35
8.6	No Right of Set Off.....	35
ARTICLE IX - DISPOSITION OF PRODUCTION.....		35
9.1	Right and Obligation to Take in Kind.....	35
9.2	Offtake Agreement for Crude Oil.....	35
9.3	Separate Agreement for Natural Gas.....	36
ARTICLE X - ABANDONMENT.....		37
10.1	Abandonment of Wells Drilled as Joint Operations.....	37
10.2	Abandonment of Exclusive Operations.....	37
ARTICLE XI - SURRENDER, EXTENSIONS AND RENEWALS.....		38
11.1	Surrender.....	38
11.2	Extension of the Term.....	38
ARTICLE XII - TRANSFER OF INTEREST OR RIGHTS.....		38
12.1	Obligations.....	38
12.2	Rights.....	40
ARTICLE XIII - WITHDRAWAL FROM AGREEMENT.....		40
13.1	Right of Withdrawal.....	40
13.2	Partial or Complete Withdrawal.....	40
13.3	Rights of a Withdrawing Party.....	41
13.4	Obligations and Liabilities of a Withdrawing Party.....	41
13.5	Emergency.....	42
13.6	Assignment.....	42
13.7	Approvals.....	42
13.8	Security.....	42
13.9	Withdrawal or Abandonment by all Parties.....	42
ARTICLE XIV - RELATIONSHIP OF PARTIES AND TAX.....		43
14.1	Relationship of Parties.....	43
14.2	Tax.....	43
14.3	United States Tax Election.....	43
ARTICLE XV - CONFIDENTIAL INFORMATION.....		44
15.1	Confidential Information.....	44
15.2	Continuing Obligations.....	45
15.3	Proprietary Technology.....	45
15.4	Trades.....	45
ARTICLE XVI - FORCE MAJEURE.....		45
16.1	Obligations.....	45
16.2	Definition of Force Majeure.....	45
ARTICLE XVII - NOTICES.....		46
ARTICLE XVIII - APPLICABLE LAW AND DISPUTE RESOLUTION.....		46
18.1	Applicable Law.....	46
18.2	Dispute Resolution.....	46
ARTICLE XIX - ALLOCATION OF COST RECOVERY RIGHTS.....		48
19.1	Allocation of Total Production.....	48
19.2	Allocation of Cost Oil.....	48

19.3	Allocation of Profit Oil.....	49
19.4	Use of Estimates	49
ARTICLE XX -- GENERAL PROVISIONS		49
20.1	Warranties as to no Payments, Gifts and Loans	49
20.2	Conflicts of Interest.....	50
20.3	Public Announcements.....	50
20.4	Successors and Assigns	51
20.5	Waiver	51
20.6	Severance of Invalid Provisions	51
20.7	Modifications	51
20.8	Headings	51
20.9	Singular and Plural.....	51
20.10	Gender.....	51
20.11	Counterpart Execution	51
20.12	Entirety.....	52
20.13	Rights of Third Parties.....	52

OPERATING AGREEMENT

THIS AGREEMENT is made as of the Effective Date among Kosmos Energy Ghana HC, a Cayman Islands exempted company (hereinafter referred to as "Kosmos"); and the E.O Group, a company incorporated in Ghana (hereinafter referred to as "EO"). The companies named above may sometimes individually be referred to as "Party" and collectively as the "Parties".

WITNESSETH:

WHEREAS, the Parties have entered into a Petroleum Agreement dated July 22, 2004, with the Ghana National Petroleum Corporation (hereinafter referred to as "GNPC") and the Government of the Republic of Ghana (hereinafter referred to as the "State") covering West Cape Three Points Block, Offshore Ghana; and

WHEREAS, the Parties desire to define their respective rights and obligations with respect to their operations under the Contract.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements and obligations set out below and to be performed, the Parties agree as follows:

ARTICLE I - DEFINITIONS

As used in this Agreement, the following words and terms shall have the meaning ascribed to them below:

- 1.1 **Accounting Procedure** means the rules, provisions and conditions set forth and contained in Exhibit A to this Agreement.
- 1.2 **AFE** means an authorization for expenditure pursuant to Article 6.6.
- 1.3 **Affiliate** means, in relation to any Party, a company, partnership, person or other legal entity which controls, or is controlled by, or which is controlled by an entity which controls, such Party. **Control** means the ownership directly or indirectly of fifty (50) percent or more of the voting rights in a company, partnership or legal entity.
- 1.4 **Agreed Interest Rate** means interest compounded on a monthly basis, at the rate per annum equal to the one (1) month term, London Interbank Offered Rate (LIBOR rate) for U.S. dollar deposits, as published by The Wall Street Journal or if not published, then by the Financial Times of London, plus five (5) percentage points, applicable on the first Business Day prior to the due date of payment and thereafter on the first Business Day of each succeeding calendar month. If the aforesaid rate is contrary to any applicable usury law, the rate of interest to be charged shall be the maximum rate permitted by such applicable law.
- 1.5 **Agreement** means this agreement, together with the Exhibits attached to this agreement, and any extension, renewal or amendment hereof agreed to in writing by the Parties.
- 1.6 **Appraisal Well** has the meaning given in the Contract.
- 1.7 **Barrel** has the meaning given in the Contract.
- 1.8 **Business Day** means a day, other than a Saturday or Sunday, on which the banks in both Dallas, Texas, and Accra, Ghana are customarily open for business.

- 1.9 **Calendar Quarter** means a period of three (3) months commencing with January 1 and ending on the following March 31, a period of three (3) months commencing with April 1 and ending on the following June 30, a period of three (3) months commencing with July 1 and ending on the following September 30, or a period of three (3) months commencing with October 1 and ending on the following December 31 according to the Gregorian Calendar.
- 1.10 **Calendar Year** means a period of twelve (12) months commencing with January 1 and ending on the following December 31 according to the Gregorian Calendar.
- 1.11 **Cash Premium** means the payment made pursuant to Article 7.5(B) by a Non-Consenting Party to reinstate its rights to participate in an Exclusive Operation.
- 1.12 **Commercial Discovery** means any Discovery which is sufficient to entitle the Parties to apply for authorization from the Government to commence exploitation.
- 1.13 **Completion** means an operation intended to complete a well through the Christmas tree as a producer of Hydrocarbons in one or more Zones, including, but not limited to, the setting of production casing, perforating, stimulating the well and production Testing conducted in such operation. Complete and other derivatives shall be construed accordingly.
- 1.14 **Consenting Party** means a Party who agrees to participate in and pay its share of the cost of an Exclusive Operation.
- 1.15 **Contract** means the Petroleum Agreement concluded between GNPC, the State and the Parties identified in the recitals of this Agreement and any extension, renewal or amendment thereof agreed to in writing by the Parties and those laws, statutes, rules and regulations with respect to the exploration, development and production of Hydrocarbons that govern such instrument or are incorporated by the terms of such instrument.
- 1.16 **Contract Area** has the meaning given in the Contract.
- 1.17 **Cost Oil** means that portion of the total production of Hydrocarbons, if any, which is allocated to the Parties under the Contract for the recovery of Petroleum Costs.
- 1.18 **Day** means a calendar day unless otherwise specifically provided.
- 1.19 **Default Notice** shall have the meaning ascribed in Article 8.1.
- 1.20 **Defaulting Party** shall have the meaning ascribed in Article 8.1.
- 1.21 **Deepening** means an operation whereby a well is drilled to an objective Zone below the deepest Zone in which the well was previously drilled, or below the deepest Zone proposed in the associated A/E, whichever is the deeper. Deepen and other derivatives shall be construed accordingly.
- 1.22 **Development Plan** means a plan for the development of Hydrocarbons from an Exploitation Area.
- 1.23 **Development Well** has the meaning given in the Contract.
- 1.24 **Discovery** means the discovery of an accumulation of Hydrocarbons whose existence until that moment was unproven by drilling.
- 1.25 **Effective Date** means the date this Agreement comes into effect as stated in Article II.

- 1.26 **Entitlement** means a quantity of Hydrocarbons of which a Party has the right and obligation to take delivery pursuant to the Contract or, if applicable, an offtake agreement, and the terms of this Agreement, after adjustment for overlifts and underlifts.
- 1.27 **Exclusive Operation** means those operations and activities carried out pursuant to this Agreement, the costs of which are chargeable to the account of less than all the Parties.
- 1.28 **Exclusive Well** means a well drilled pursuant to an Exclusive Operation.
- 1.29 **Exploitation Area** means that part of the Contract Area which is established for development of a Commercial Discovery pursuant to the Contract or if the Contract does not establish an exploitation area, then that part of the Contract Area which is delineated as the exploitation area in a Development Plan approved as a Joint Operation or as an Exclusive Operation.
- 1.30 **Exploitation Period** means any and all periods of exploitation during which the production and removal of Hydrocarbons is permitted under the Contract.
- 1.31 **Exploration Period** means any and all periods of exploration set out in the Contract.
- 1.32 **Exploration Well** has the meaning given in the Contract.
- 1.33 **G & G Data** means only geological, geophysical and geochemical data and other similar information that is not obtained through a well bore.
- 1.34 **GNPC** has the meaning given in the recitals to this Agreement, and shall include any successor of GNPC (as defined therein) as a party to the Contract.
- 1.35 **Government** means the government of Ghana, including any state or municipal government or authority within Ghana, and any political subdivision or agency or instrumentality thereof, including without limitation GNPC.
- 1.36 **Gross Negligence** means any act or failure to act (whether sole, joint or concurrent) by any person or entity which was intended to cause, or which was in reckless disregard of or wanton indifference to, harmful consequences such person or entity knew, or should have known, such act or failure would have on the safety or property of another person or entity.
- 1.37 **Hydrocarbons** means all substances including liquid and gaseous hydrocarbons which are subject to and covered by the Contract.
- 1.38 **Joint Account** means the accounts maintained by Operator in accordance with the provisions of this Agreement and of the Accounting Procedure for Joint Operations.
- 1.39 **Joint Management Committee** means the committee established pursuant to Article 6 of the Contract.
- 1.40 **Joint Operations** means those operations and activities carried out by Operator pursuant to this Agreement, the costs of which are chargeable to all Parties.
- 1.41 **Joint Property** means, at any point in time, all wells, facilities, equipment, materials, information, funds and the property held for use in Joint Operations.
- 1.42 **Minimum Work Obligations** means those work and/or expenditure obligations specified in the Contract which must be performed during the then current Contract phase or period in order to satisfy the obligations of the Contract.

- 1.43 **Non-Consenting Party** means a Party who elects not to participate in an Exclusive Operation.
- 1.44 **Non-Operator(s)** means the Party or Parties to this Agreement other than Operator.
- 1.45 **Operating Committee** means the committee constituted in accordance with Article V.
- 1.46 **Operator** means a Party to this Agreement designated as such in accordance with this Agreement.
- 1.47 **Participating Interest** means the undivided percentage interest of each Party in the rights and obligations derived from the Contract and this Agreement.
- 1.48 **Party** means any of the entities named in the first paragraph to this Agreement and any respective permitted successors or assigns.
- 1.49 **Petroleum Costs** means costs and expenses incurred by the Parties and allowed to be recovered pursuant to the Contract.
- 1.50 **Plugging Back** means a single operation whereby a deeper Zone is abandoned in order to attempt a Completion in a shallower Zone. Plug Back and other derivatives shall be construed accordingly.
- 1.51 **Production Bonus** means any bonus payable by the Parties under the Contract on attainment of any specified rate, level or quantity of production of Hydrocarbons.
- 1.52 **Profit Oil** means that portion of the total production of Hydrocarbons, in excess of Cost Oil, which is allocated to the Parties under the terms of the Contract.
- 1.53 **Reallocation Cost Oil** shall have the meaning ascribed in Article 19.2.
- 1.54 **Recompletion** means an operation whereby a Completion in one Zone is abandoned in order to attempt a Completion in a different Zone within the existing wellbore. Recomplete and other derivatives shall be construed accordingly.
- 1.55 **Reworking** means an operation conducted in the wellbore of a well after it is Completed to secure, restore, or improve production in a Zone which is currently open to production in the wellbore. Such operations include, but are not limited to, well stimulation operations, but exclude any routine repair or maintenance work, or drilling, Sidetracking, Deepening, Completing, Recompleting, or Plugging Back of a well. Rework and other derivatives shall be construed accordingly.
- 1.56 **Senior Supervisory Personnel** means with respect to a Party, any individual who functions as such Party's designated manager or supervisor who is responsible for, or in charge of onsite drilling, construction or production and related operations, or any other field operations.
- 1.57 **Sidetracking** means the directional control and intentional deviation of a well from vertical so as to change the bottom hole location unless done to straighten the hole or to drill around junk in the hole or to overcome other mechanical difficulties. Sidetrack and other derivatives shall be construed accordingly.
- 1.58 **Testing** means an operation intended to evaluate the capacity of a Zone to produce Hydrocarbons. Test and other derivatives shall be construed accordingly.
- 1.59 **Work Program and Budget** means a work program for Joint Operations and budget therefor as described and approved in accordance with Article VI.

- 1.60 **Zone** means a stratum of earth containing or thought to contain an accumulation of Hydrocarbons separately producible from any other accumulation of Hydrocarbons.

ARTICLE II- EFFECTIVE DATE AND TERM

This Agreement shall be effective as of the Effective Date of the Contract and shall continue in effect until the Contract terminates and all materials, equipment and personal property used in connection with the Joint Operations have been removed and disposed of, and final settlement has been made among the Parties.

Notwithstanding the preceding sentence:

- (A) Article X shall remain in effect until all wells have been properly abandoned; and
- (B) Article 4.5 and Article XVIII shall remain in effect until all obligations, claims, arbitrations and lawsuits have been settled or otherwise resolved.

ARTICLE III - SCOPE

3.1 Scope

- (A) The purpose of this Agreement is to establish the respective rights and obligations of the Parties with regard to operations under the Contract, including without limitation the joint exploration, appraisal, development and production of Hydrocarbon reserves from the Contract Area.
- (B) Without limiting the generality of Article 3.1(A), the following activities are outside of the scope of this Agreement and are not addressed herein:
 - (1) Construction, operation, maintenance, repair and removal of facilities downstream from the point of delivery of the Parties' shares of Hydrocarbons under the offtake agreement provided for in Article 9.2;
 - (2) Transportation of Hydrocarbons beyond the point of delivery of the Parties' shares of Hydrocarbons under the offtake agreement provided for in Article 9.2;
 - (3) Marketing and sales of Hydrocarbons, except as expressly provided in Articles 7.5, 7.10(B) and 8.4 and in Article IX;
 - (4) Acquisition of rights to explore for, appraise, develop or produce Hydrocarbons outside of the Contract Area (other than as a consequence of unitization with an adjoining contract area under the terms of the Contract); and
 - (5) Exploration, appraisal, development or production of minerals other than Hydrocarbons, whether inside or outside of the Contract Area.

3.2 Participating Interest

- (A) The Participating Interests of the Parties as of the Effective Date are:

<u>Kosmos</u>	<u>96.5 %</u>
---------------	---------------

EO

3.5%

(B) If a Party transfers all or part of its Participating Interest pursuant to the provisions of this Agreement and the Contract, the Participating Interests of the Parties shall be revised accordingly.

(C) The Parties recognize the rights of GNPC under Article 2.4 of the Contract pursuant to which GNPC has a 10% participating interest in all petroleum operations under the Contract.

3.3 Ownership, Obligations and Liabilities Ownership

(A) Unless otherwise provided in this Agreement, all the rights and interests in and under the Contract, all Joint Property and any Hydrocarbons produced from the Contract Area shall, subject to the terms of the Contract, be owned by the Parties in accordance with their respective Participating Interests.

(B) Unless otherwise provided in this Agreement, the obligations of the Parties under the Contract and all liabilities and expenses incurred by Operator in connection with Joint Operations shall be charged to the Joint Account and all credits to the Joint Account shall be shared by the Parties, as among themselves, in accordance with their respective Participating Interests.

(C) Each Party shall pay when due, in accordance with the Accounting Procedure, its Participating Interest share of Joint Account expenses, including cash advances and interest, accrued pursuant to this Agreement. The Parties agree that time is of the essence for payments owing under this Agreement. A Party's payment of any charge under this Agreement shall be without prejudice to its right to later contest the charge.

3.4 Government Participation

If GNPC elects to acquire an Additional Paying Interest (as defined in the Contract) pursuant to Article 2.6 of the Contract, the Parties (other than EO) shall contribute, in proportion to their respective Participating Interests, to the additional interest to be acquired by GNPC and shall execute such documents as may be necessary to effect such transfer of interests. All payments received for the acquisition of such interests shall be credited to the Parties (other than EO or GNPC in the event that GNPC is or becomes a party to this Agreement) in proportion to their Participating Interests.

ARTICLE IV- OPERATOR

4.1 Designation of Operator Designation

Kosmos is designated as Operator and, without prejudice to the following provisions of this Article IV, agrees to act as such.

4.2 Rights and Duties of Operator

(A) Subject to the terms and conditions of this Agreement, Operator shall have all of the rights, functions and duties of Operator under the Contract and shall have exclusive charge of and shall conduct all Joint Operations. Operator may employ independent contractors and/or agents (which may include Affiliates of Operator) in such Joint Operations.

- (B) In the conduct of Joint Operations Operator shall:
- (1) Perform Joint Operations in accordance with the provisions of the Contract, this Agreement and the instructions of the Operating Committee not in conflict with this Agreement;
 - (2) Conduct all Joint Operations in a diligent, safe and efficient manner in accordance with good and prudent oil field practices and conservation principles generally followed by the international petroleum industry under similar circumstances;
 - (3) Subject to Article 4.6 and the Accounting Procedure, neither gain a profit nor suffer a loss as a result of being the Operator in its conduct of Joint Operations, provided that Operator may rely upon Operating Committee approval of specific accounting practices not in conflict with the Accounting Procedure;
 - (4) Perform the duties for the Operating Committee set out in Article V, and prepare and submit to the Operating Committee the proposed Work Programs, Budgets and AFEs as provided in Article VI;
 - (5) Acquire all permits, consents, approvals, surface or other rights that may be required for or in connection with the conduct of Joint Operations;
 - (6) Upon receipt of reasonable advance notice, permit the representatives of any of the Parties to have at all reasonable times and at their own risk and expense reasonable access to the Joint Operations with the right to observe all such Joint Operations and to inspect all Joint Property and to conduct financial audits as provided in the Accounting Procedure;
 - (7) Maintain the Contract in full force and effect to the full extent possible in accordance with such good and prudent petroleum industry practices as are generally followed by operators in the international petroleum industry under similar circumstances. Operator shall, in a timely manner, pay and discharge all liabilities and expenses incurred in connection with Joint Operations and use its reasonable efforts to keep and maintain the Joint Property free from all liens, charges and encumbrances arising out of Joint Operations;
 - (8) Pay to the Government for the Joint Account, within the periods and in the manner prescribed by the Contract and all applicable laws and regulations, all periodic payments, royalties, taxes, fees and other payments pertaining to Joint Operations, but excluding: (i) any taxes measured by the incomes of the Parties and (ii) any royalty payable under or in respect of the Contract;
 - (9) Carry out the obligations of Operator pursuant to the Contract, including, but not limited to, preparing and furnishing such reports, records and information as may be required pursuant to the Contract;
 - (10) Have in accordance with the decisions of the Operating Committee, the exclusive right and obligation to represent the Parties in all dealings with the Government with respect to matters arising under the Contract and Joint Operations. Operator shall notify the other Parties as soon as possible of such meetings. Non-Operators shall have the right to attend such meetings but only in the capacity of observers. Nothing contained in this Agreement shall restrict any Party from holding discussions with the Government with respect to any issue peculiar to its particular business interests arising under the Contract or this Agreement, but in such event such Party shall promptly

advise the Parties, if possible, before and in any event promptly after such discussions, provided that such Party shall not be required to divulge to the Parties any matters discussed to the extent the same involve proprietary information on matters not affecting the Parties;

- (11) Take all necessary and proper measures for the protection of life, health, the environment and property in the case of an emergency; provided, however, that Operator shall immediately notify the Parties of the details of such emergency and measures; and
- (12) Include, to the extent practical, in its contracts with independent contractors and to the extent lawful, provisions which:
 - (a) establish that such contractors can only enforce their contracts against Operator;
 - (b) permit Operator, on behalf of itself and Non-Operators, to enforce contractual indemnities against, and recover losses and damages suffered by them (insofar as recovered under their contracts) from, such contractors; and
 - (c) require such contractors to take insurance required by Article 4.7(F).

4.3 Employees of Operator

Subject to the Contract and this Agreement, Operator shall determine the number of employees, the selection of such employees, the hours of work and the compensation to be paid all such employees in connection with Joint Operations. Operator shall employ only such employees, agents and contractors as are reasonably necessary to conduct Joint Operations

4.4 Information Supplied by Operator

- (A) Operator shall provide Non-Operators the following data and reports as they are currently produced or compiled from the Joint Operations:
 - (1) Copies of all logs or surveys;
 - (2) Daily drilling progress reports;
 - (3) Copies of all Tests and core analysis reports;
 - (4) Copies of the plugging reports;
 - (5) Copies of the final geological and geophysical maps and reports;
 - (6) Engineering studies, development schedules and annual progress reports on development projects;
 - (7) Field and well performance reports, including reservoir studies and reserve estimates;
 - (8) Copies of all reports relating to Joint Operations furnished by Operator to the Government, except magnetic tapes which shall be stored by Operator and made available for inspection and/or copying at the sole expense of the Non-Operator requesting same;

- (9) Other reports as frequently as is justified by the activities or as instructed by the Operating Committee; and
 - (10) Subject to Article 15.3, such additional information for Non-Operators as they or any of them may request, provided that the requesting Party or Parties pay the costs of preparation of such information and that the preparation of such information will not unduly burden Operator's administrative and technical personnel. Only Non-Operators who pay such costs shall receive such additional information.
- (B) Operator shall give Non-Operators access at all reasonable times to all other data acquired in the conduct of Joint Operations. Any Non-Operator may make copies of such other data at its sole expense.

4.5 Settlement of Claims and Lawsuits

- (A) Operator shall promptly notify the Parties of any and all material claims or suits and such other claims and suits as the Operating Committee may direct which arise out of Joint Operations or relate in any way to Joint Operations. Operator shall represent the Parties and defend or oppose the claim or suit. Operator may in its sole discretion compromise or settle any such claim or suit or any related series of claims or suits for an amount not to exceed the equivalent of U.S. dollars five hundred thousand (U.S. \$500,000) exclusive of legal fees. Operator shall obtain the approval and direction of the Operating Committee on amounts in excess of the above stated amount. Each Non-Operator shall have the right to be represented by its own counsel at its own expense in the settlement, compromise or defense of such claims or suits.
- (B) Any Non-Operator shall promptly notify the other Parties of any claim made against such Non-Operator by a third party which arises out of or may affect the Joint Operations, and such Non-Operator shall defend or settle the same in accordance with any directions given by the Operating Committee. Those costs, expenses and damages incurred pursuant to such defense or settlement which are attributable to Joint Operations shall be for the Joint Account.
- (C) Notwithstanding Article 4.5(A) and Article 4.5(B), each Party shall have the right to participate in any such suit, prosecution, defense or settlement conducted in accordance with Article 4.5(A) and Article 4.5(B) at its sole cost and expense; provided always that no Party may settle its Participating Interest share of any claim without first satisfying the Operating Committee that it can do so without prejudicing the interests of the Joint Operations.

4.6 Limitation on Liability of Operator

- (A) Except as set out in this Article 4.6, neither the Party designated as Operator nor any other Indemnitee (as defined below) shall bear (except as a Party to the extent of its Participating Interest share) any damage, loss, cost, expense or liability resulting from performing (or failing to perform) the duties and functions of the Operator, and the Indemnitees are hereby released from liability to Non-Operators for any and all damages, losses, costs, expenses and liabilities arising out of, incident to or resulting from such performance or failure to perform, even though caused in whole or in part by a pre-existing defect, the negligence (whether sole, joint or concurrent), gross negligence, strict liability or other legal fault of Operator (or any such Indemnitee).
- (B) Except as set out in this Article 4.6, the Parties shall in proportion to their Participating Interests defend and indemnify Operator and its Affiliates, and the officers and directors of both (collectively, the "Indemnitees"), from any and all damages, losses, costs, expenses (including reasonable legal costs, expenses and

attorneys' fees) and liabilities incident to claims, demands or causes of action brought by or on behalf of any person or entity, which claims, demands or causes of action arise out of, are incident to or result from Joint Operations, even though caused in whole or in part by a pre-existing defect, the negligence (whether sole, joint or concurrent), gross negligence, strict liability or other legal fault of Operator (or any such Indemnitee).

- (C) Notwithstanding Articles 4.6(A) and 4.6(B), if any Senior Supervisory Personnel of Operator or its Affiliates engage in Gross Negligence that proximately causes the Parties to incur damage, loss, cost, expense or liability for claims, demands or causes of action referred to in Articles 4.6(A) or 4.6(B), then, in addition to its Participating Interest share Operator shall bear the actual damage, loss, cost, expense and liability to repair, replace and/or remove Joint Property so damaged or lost, if any
- (D) Nothing in this Article 4.6 shall be deemed to relieve the Party designated as Operator from its Participating Interest share of any damage, loss, cost, expense or liability arising out of, incident to or resulting from Joint Operations.
- (E) Notwithstanding the foregoing, under no circumstances shall any Indemnitee (except as a Party to the extent of its participating interest) bear any damages, loss, cost, expense or liability for environmental, consequential, punitive or any other similar indirect damages or losses, including but not limited to those arising from business interruption, reservoir or formation damage, inability to produce hydrocarbons, loss of profits, pollution control and environmental amelioration or rehabilitation.

4.7 Insurance Obtained by Operator

- (A) Operator shall procure and maintain or cause to be procured and maintained for the Joint Account all insurance in the types and amounts required by the Contract and applicable laws, rules and regulations.
- (B) Operator shall obtain such further insurance, at competitive rates, as the Operating Committee may from time to time require.
- (C) Any Party may elect not to participate in the insurance to be procured under Article 4.7(B) provided such Party:
 - (1) gives prompt notice to that effect to Operator;
 - (2) does nothing which may interfere with Operator's negotiations for such insurance for the other Parties; and
 - (3) obtains and maintains such insurance (in respect of which an annual certificate of adequate coverage from a reputable insurer shall be sufficient evidence) or other evidence of financial responsibility which fully covers its Participating Interest share of the risks that would be covered by the insurance procured under Article 4.7 (B), and which the Operating Committee may determine to be acceptable. No such determination of acceptability shall in any way absolve a non-participating Party from its obligation to meet each cash call including any cash call in respect of damages and losses and/or the costs of remedying the same in accordance with the terms of this Agreement. If such Party obtains other insurance, such insurance shall contain a waiver of subrogation in favor of all the other Parties, the Operator and their insurers but only in respect of their interests under this Agreement.

- (D) The cost of insurance in which all the Parties are participating shall be for the Joint Account and the cost of insurance in which less than all the Parties are participating shall be charged to the Parties participating in proportion to their respective Participating Interests.
- (E) Operator shall, in respect of all insurance obtained pursuant to this Article 4.7:
 - (1) promptly inform the participating Parties when such insurance is obtained and supply them with certificates of insurance or copies of the relevant policies when the same are issued;
 - (2) arrange for the participating Parties, according to their respective Participating Interests, to be named as co-insureds on the relevant policies with waivers of subrogation in favor of all the Parties; and
 - (3) duly file all claims and take all necessary and proper steps to collect any proceeds and credit any proceeds to the participating Parties in proportion to their respective Participating Interests.
- (F) Operator shall use its reasonable efforts to require all contractors performing work in respect of Joint Operations to obtain and maintain any and all insurance in the types and amounts required by any applicable laws, rules and regulations or any decision of the Operating Committee and shall use its reasonable efforts to require all such contractors to name the Parties as additional insureds on such contractors' insurance policies or to obtain from their insurers waivers of all rights of recourse against Operator, Non-Operators and their insurers.

4.8 **Commingling of Funds**

Operator may commingle with its own funds the monies which it receives from or for the Joint Account pursuant to this Agreement. Notwithstanding that monies of a Non-Operator have been commingled with Operator's funds, the Operator shall account to the Non-Operators for the monies of a Non-Operator advanced or paid to Operator, whether for the conduct of Joint Operations or as proceeds from the sale of production under this Agreement. Such monies shall be applied only to their intended use and shall in no way be deemed to be funds belonging to Operator.

4.9 **Resignation of Operator**

Subject to Article 4.11, Operator may resign as Operator at any time by so notifying the other Parties at least one hundred and twenty (120) Days prior to the effective date of such resignation.

4.10 **Removal of Operator**

- (A) Subject to Article 4.11, Operator shall be removed upon receipt of notice from any Non-Operator if:
 - (1) An order is made by a court or an effective resolution is passed for the reorganization under any bankruptcy law, dissolution, liquidation, or winding up of Operator;
 - (2) Operator dissolves, liquidates, is wound up, or otherwise terminates its existence;
 - (3) Operator becomes insolvent, bankrupt or makes an assignment for the benefit of creditors; or

- (4) A receiver is appointed for a substantial part of Operator's assets.
- (B) Subject to Article 4.11, Operator may be removed by the decision of the Non-Operators if Operator has committed a material breach of this Agreement and has either failed to commence to cure that breach within thirty (30) Days of receipt of a notice from Non-Operators detailing the alleged breach or failed to diligently pursue the cure to completion. Any decision of Non-Operators to give notice of breach to Operator or to remove Operator under this Article 4.10(B) shall be made by an affirmative vote of Non-Operators holding a combined Participating Interest of at least sixty seven percent (67%).
- (C) If Operator together with any Affiliate of Operator is or becomes the holder of a Participating Interest of less than ten percent (10%), then Operator shall be required to promptly notify the other Parties. The Operating Committee shall then vote within thirty (30) Days of such notification on whether or not a successor Operator should be named pursuant to Article 4.11.

4.11 Appointment of Successor

When a change of Operator occurs pursuant to Article 4.9 or Article 4.10:

- (A) The Operating Committee shall meet as soon as possible to appoint a successor Operator pursuant to the voting procedure of Article 5.9. However, no Party may be appointed successor Operator against its will.
- (B) If the Operator disputes commission of or failure to rectify a material breach alleged pursuant to Article 4.10(B) and proceedings are initiated pursuant to Article XVIII, no successor Operator may be appointed pending the conclusion or abandonment of such proceedings, subject to the terms of Article 3.3 with respect to Operator's breach of its payment obligations.
- (C) If an Operator is removed, other than in the case of Article 4.10(C) or Article 4.10(D), neither Operator nor any Affiliate of Operator shall have the right to vote for itself on the appointment of a successor Operator, nor be considered as a candidate for the successor Operator.
- (D) A resigning or removed Operator shall be compensated out of the Joint Account for its reasonable expenses directly related to its resignation or removal, except in the case of Article 4.10(B).
- (E) The resigning or removed Operator and the successor Operator shall arrange for the taking of an inventory of all Joint Property and Hydrocarbons, and an audit of the books and records of the removed Operator. Such inventory and audit shall be completed, if possible, no later than the effective date of the change of Operator and shall be subject to the approval of the Operating Committee. The liabilities and expenses of such inventory and audit shall be charged to the Joint Account.
- (F) The resignation or removal of Operator and its replacement by the successor Operator shall not become effective prior to receipt of any necessary Government approvals.
- (G) Upon the effective date of the resignation or removal, the successor Operator shall succeed to all duties, rights and authority prescribed for Operator. The former Operator shall transfer to the successor Operator custody of all Joint Property, books of account, records and other documents maintained by Operator pertaining to the Contract Area and to Joint Operations. Upon delivery of the above-described

property and data, the former Operator shall be released and discharged from all obligations and liabilities as Operator accruing after such date.

ARTICLE V - OPERATING COMMITTEE

5.1 Establishment of Operating Committee

To provide for the overall supervision and direction of Joint Operations, there is established an Operating Committee composed of representatives of each Party holding a Participating Interest. Each Party shall appoint one (1) representative and one (1) alternate representative to serve on the Operating Committee. Each Party shall as soon as possible after the date of this Agreement give notice in writing to the other Parties of the name and address of its representative and alternate representative to serve on the Operating Committee. Each Party shall have the right to change its representative and alternate at any time by giving notice to such effect to the other Parties.

5.2 Powers and Duties of Operating Committee

The Operating Committee shall have power and duty to authorize and supervise Joint Operations that are necessary or desirable to fulfill the Contract and properly explore and exploit the Contract Area in accordance with this Agreement and in a manner appropriate in the circumstances.

5.3 Authority to Vote

The representative of a Party, or in his absence his alternate representative, shall be authorized to represent and bind such Party with respect to any matter which is within the powers of the Operating Committee and is properly brought before the Operating Committee. Each such representative shall have a vote equal to the Participating Interest of the Party such person represents. Each alternate representative shall be entitled to attend all Operating Committee meetings but shall have no vote at such meetings except in the absence of the representative for whom he is the alternate. In addition to the representative and alternate representative, each Party may also bring to any Operating Committee meetings such technical and other advisors as it may deem appropriate.

5.4 Subcommittees

The Operating Committee may establish such subcommittees, including technical subcommittees, as the Operating Committee may deem appropriate. The functions of such subcommittees shall be in an advisory capacity or as otherwise determined unanimously by the Parties.

5.5 Notice of Meeting

- (A) Operator may call a meeting of the Operating Committee by giving notice to the Parties at least fifteen (15) Days in advance of such meeting.
- (B) Any Non-Operator may request a meeting of the Operating Committee by giving notice to all the other Parties. Upon receiving such request, Operator shall call such meeting for a date not less than fifteen (15) Days nor more than twenty (20) Days after receipt of the request.
- (C) The notice periods above may only be waived with the unanimous consent of all the Parties.

5.6 **Contents of Meeting Notice**

- (A) Each notice of a meeting of the Operating Committee as provided by Operator shall contain:
 - (1) The date, time and location of the meeting; and
 - (2) An agenda of the matters and proposals to be considered and/or voted upon.
- (B) A Party, by notice to the other Parties given not less than seven (7) Days prior to a meeting, may add additional matters to the agenda for a meeting.
- (C) On the request of a Party, and with the unanimous consent of all Parties, the Operating Committee may consider at a meeting a proposal not contained in such meeting agenda.

5.7 **Location of Meetings**

All meetings of the Operating Committee shall be held in Dallas, Texas, or elsewhere as may be decided by the Operator.

5.8 **Operator's Duties for Meetings**

- (A) With respect to meetings of the Operating Committee and any subcommittee, Operator's duties shall include, but not be limited to:
 - (1) Timely preparation and distribution of the agenda;
 - (2) Organization and conduct of the meeting; and
 - (3) Preparation of a written record or minutes of each meeting.
- (B) Operator shall have the right to appoint the chairman of the Operating Committee and all subcommittees.

5.9 **Voting Procedure**

Except as otherwise expressly provided in this Agreement, all decisions, approvals and other actions of the Operating Committee on all proposals coming before it shall be decided by the affirmative vote of Parties which are not Affiliates then having collectively at least sixty percent (60%) of the Participating Interests.

5.10 **Record of Votes**

The chairman of the Operating Committee shall appoint a secretary who shall make a record of each proposal voted on and the results of such voting at each Operating Committee meeting. Each representative shall sign and be provided a copy of such record at the end of such meeting and it shall be considered the final record of the decisions of the Operating Committee.

5.11 **Minutes**

The secretary shall provide each Party with a copy of the minutes of the Operating Committee meeting within fifteen (15) Days after the end of the meeting. Each Party shall have fifteen (15) Days after receipt of such minutes to give notice of its objections to the minutes to the secretary. A failure to give notice specifying objection to such minutes within said fifteen (15) Day period shall be deemed to be approval of such minutes. In any event,

the votes recorded under Article 5.10 shall take precedence over the minutes described above.

5.12 Voting by Notice

- (A) In lieu of a meeting, any Party may submit any proposal to the Operating Committee for a vote by notice. The proposing Party or Parties shall notify Operator who shall give each representative notice describing the proposal so submitted. Each Party shall communicate its vote by notice to Operator and the other Parties within one of the following appropriate time periods after receipt of Operator's notice:
- (1) twenty four (24) hours in the case of operations which involve the use of a drilling rig that is standing by in the Contract Area.
 - (2) fourteen (14) Days in the case of all other proposals.
- (B) Except in the case of Article 5.12(A)(1), any Non-Operator may by notice delivered to all Parties within five (5) Days of receipt of Operator's notice request that the proposal be decided at a meeting rather than by notice. In such an event, that proposal shall be decided at a meeting duly called for that purpose.
- (C) Except as provided in Article X, any Party failing to communicate its vote in a timely manner shall be deemed to have voted against such proposal.
- (D) If a meeting is not requested, then at the expiration of the appropriate time period, Operator shall give each Party a confirmation notice stating the tabulation and results of the vote.

5.13 Effect of Vote

All decisions taken by the Operating Committee pursuant to this Article V, shall be conclusive and binding on all the Parties, except that:

- (A) If pursuant to this Article V, a Joint Operation, other than an operation to fulfill the Minimum Work Obligations, has been properly proposed to the Operating Committee and the Operating Committee has not approved such proposal in a timely manner, then any Party shall have the right for the appropriate period specified below to propose in accordance with Article VII, an Exclusive Operation involving operations essentially the same as those proposed for such Joint Operation.
- (1) For proposals involving the use of a drilling rig that is standing by in the Contract Area, such right shall be exercisable for twenty-four (24) hours after the time specified in Article 5.12(A)(1) has expired or after receipt of Operator's notice given pursuant to Article 5.13(D), as applicable.
 - (2) For proposals to develop a Discovery, such right shall be exercisable for ten (10) Days after the date the Operating Committee was required to consider such proposal pursuant to Article 5.6 or Article 5.12;
 - (3) For all other proposals, such right shall be exercisable for five (5) Days after the date the Operating Committee was required to consider such proposal pursuant to Article 5.6 or Article 5.12.
- (B) If a Party voted against any proposal which was approved by the Operating Committee and which could be conducted as an Exclusive Operation pursuant to Article VII, other than any proposal relating to Minimum Work Obligations, then such Party shall have the right not to participate in the operation contemplated by

such approval. Any such Party wishing to exercise its right of non-consent must give notice of non-consent to all other Parties within five (5) Days (or within twenty-four (24) hours if the drilling rig to be used in such operation is standing by in the Contract Area) following Operating Committee approval of such proposal. The Parties that were not entitled to give or did not give notice of non-consent shall be Consenting Parties as to the operation contemplated by the Operating Committee approval, and shall conduct such operation as an Exclusive Operation under Article VII. Any Party that gave notice of non-consent shall be a Non-Consenting Party as to such Exclusive Operation.

- (C) If the Consenting Parties to an Exclusive Operation under Article 5.13(A) or Article 5.13(B) concur, then the Operating Committee may, at any time, pursuant to this Article V, reconsider and approve, decide or take action on any proposal that the Operating Committee declined to approve earlier, or modify or revoke an earlier approval, decision or action.
- (D) Once a Joint Operation for the drilling, Deepening, Testing, Sidetracking, Plugging Back, Completing, Re-completing, Reworking or plugging of a well, has been approved and commenced, such operation shall not be discontinued without the consent of the Operating Committee; provided, however, that such operation may be discontinued, if:
 - (1) an impenetrable substance or other condition in the hole is encountered which in the reasonable judgment of Operator causes the continuation of such operation to be impractical; or
 - (2) other circumstances occur which in the reasonable judgment of Operator cause the continuation of such operation to be unwarranted and after notice the Operating Committee within the period required under Article 5.12(A)(1) approves discontinuing such operation.

On the occurrence of either of the above, Operator shall promptly notify the Parties that such operation is being discontinued pursuant to the foregoing, and any Party shall have the right to propose in accordance with Article VII an Exclusive Operation to continue such operation.

5.14 Management Committee Participation

- (A) Subject to the following provisions of this Article 5.14, each Party shall appoint one representative to serve as a member of the Joint Management Committee in accordance with Article 6.2 of the Contract.
- (B) In the event that there are fewer Parties to this Agreement than the number of Contractor representatives on the Joint Management Committee provided for in the Contract, the Operator shall, in addition to any representatives appointed by the Non-Operators in accordance with this Article 5.14, appoint such representatives as the Operator may in its absolute discretion select to serve on the Joint Management Committee in accordance with Article 6.2 of the Contract.
- (C) In the event that there are more than two (2) Parties to this Agreement:
 - (1) the Parties with the two (2) greatest Participating Interests; or
 - (2) if the Operator is not one of such two Parties, the Operator and the Party with the greatest Participating Interest,

shall each appoint one representative to serve on the Joint Management Committee in accordance with Article 6.2 of the Contract (and this Article 5.14 shall apply mutatis mutandis in the event that the Contract provides for any number of Contractor representatives on the Joint Management Committee other than two (2)).

- (D) The Joint Management Committee representative appointed by the Operator shall have the sole right to exercise all voting rights of the Contractor on the Joint Management Committee under Article 6 of the Contract and shall exercise such voting rights in accordance with the prior decisions of the Operating Committee.
- (E) At meetings of the Joint Management Committee, the representatives of any Non-Operator shall not vote and shall not seek or request any decision of the Joint Management Committee which is contrary to any prior decision of the Operating Committee.

ARTICLE VI – WORK PROGRAMS AND BUDGETS

6.1 Exploration and Appraisal

- (A) Not less than sixty (60) Days prior to each date on which a Work Program and Budget is required to be submitted to the Joint Management Committee pursuant to clause 6.1 of the Contract, Operator shall deliver to the Parties a proposed Work Program and Budget detailing the Joint Operations to be performed for the relevant Calendar Year. Within thirty (30) Days of such delivery, the Operating Committee shall meet to consider and to endeavor to agree on a Work Program and Budget.
- (B) If a Discovery is made, Operator shall deliver any notice of Discovery required under the Contract and shall as soon as possible submit to the Parties a report containing available details concerning the Discovery and Operator's recommendation as to whether the Discovery merits appraisal. If the Operating Committee determines that the Discovery merits appraisal, Operator within thirty (30) Days, shall deliver to the Parties a proposed Work Program and Budget for the appraisal of the Discovery. Within thirty (30) Days of such delivery, or earlier if necessary to meet any applicable deadline under the Contract, the Operating Committee shall meet to consider, modify and then either approve or reject the appraisal Work Program and Budget. If the appraisal Work Program and Budget is approved by the Operating Committee, Operator shall take such steps as may be required under the Contract to secure approval of the appraisal Work Program and Budget by the Government. In the event the Government requires changes in the appraisal Work Program and Budget, the matter shall be resubmitted to the Operating Committee for further consideration.
- (C) The Work Program and Budget agreed pursuant to this Article 6.1 shall include the Minimum Work Obligations, or at least that part of such Minimum Work Obligations required to be carried out during the Calendar Year in question under the terms of the Contract. If within the time periods prescribed in this Article 6.1 the Operating Committee is unable to agree on such a Work Program and Budget, then the proposal capable of satisfying the Minimum Work Obligations for the Calendar Year in question that receives the largest Participating Interest vote (even if less than the applicable percentage under Article 5.9) shall be deemed adopted as part of the annual Work Program and Budget. If competing proposals receive equal votes, then Operator shall choose between those competing proposals. Any portion of a Work Program and Budget adopted pursuant to this Article 6.1(D) instead of Article 5.9 shall include only such operations for the Joint Account as are necessary to maintain

the Contract in full force and effect, including such operations as are necessary to fulfill the Minimum Work Obligations required for the given Calendar Year.

- (D) Any approved Work Program and Budget may be revised by the Operating Committee from time to time. To the extent such revisions are approved by the Operating Committee, the Work Program and Budget shall be amended accordingly. The Operator shall prepare and submit a corresponding work program and budget amendment to the Government if required by the terms of the Contract.
- (E) Subject to Article 6.7, approval of any such Work Program and Budget, which includes:
 - (1) an Exploration Well, whether by drilling, Deepening or Sidetracking, shall include approval for all expenditures necessary for drilling, Deepening or Sidetracking, as applicable, and Testing and Completing such Exploration Well.
 - (2) an Appraisal Well, whether by drilling, Deepening or Sidetracking, shall include approval for all expenditures necessary for drilling, Deepening or Sidetracking, as applicable, and Testing and Completing such Appraisal Well.
- (F) Any Party desiring to propose a Completion attempt, or an alternative Completion attempt, must do so within the time period provided in Article 5.12(A)(1) by notifying all other Parties. Any such proposal shall include an AFE for such Completion costs.

6.2 Development

- (A) If the Operating Committee determines that a Discovery may be commercial, the Operator shall, as soon as practicable, deliver to the Parties a Development Plan together with the first annual Work Program and Budget and provisional Work Programs and Budgets for the remainder of the development of the Discovery, which shall contain, inter alia:
 - (1) Details of the proposed work to be undertaken, personnel required and expenditures to be incurred, including the timing of same, on a Calendar Year basis;
 - (2) An estimated date for the commencement of production;
 - (3) A delineation of the proposed Exploitation Area; and
 - (4) Any other information requested by the Operating Committee.
- (B) After receipt of the Development Plan and prior to any applicable deadline under the Contract, the Operating Committee shall meet to consider, modify and then either approve or reject the Development Plan and the first annual Work Program and Budget for the development submitted by Operator. If the Development Plan is approved by the Operating Committee, Operator shall, as soon as possible, deliver any notice of Commercial Discovery required under the Contract and take such other steps as may be required under the Contract to secure approval of the Development Plan by the Government. In the event the Government requires changes in the Development Plan, the matter shall be resubmitted to the Operating Committee for further consideration.

- (C) If the Development Plan is approved, such work shall be incorporated into and form part of annual Work Programs and Budgets, and the Operating Committee shall endeavor to agree to such Work Program and Budgets, including any necessary or appropriate revisions to the Work Program and Budget for the approved Development Plan.

6.3 Production

On or before the 1st Day of April of each Calendar Year, Operator shall deliver to the Parties a proposed production Work Program and Budget detailing the Joint Operations to be performed in the Exploitation Area and the projected production schedule for the following Calendar Year. Within thirty (30) Days of such delivery, the Operating Committee shall agree upon a production Work Program and Budget.

6.3 Itemization of Expenditures

- (A) During the preparation of the proposed Work Programs and Budgets and Development Plans contemplated in this Article VI, Operator shall consult with the Operating Committee or the appropriate subcommittees regarding the contents of such Work Programs and Budgets and Development Plans.
- (B) Each Work Program and Budget and Development Plan submitted by Operator shall contain an itemized estimate of the costs of Joint Operations and all other expenditures to be made for the Joint Account during the Calendar Year in question and shall, *inter alia*:
- (1) identify each work category in sufficient detail to afford the ready identification of the nature, scope and duration of the activity in question;
 - (2) include such reasonable information regarding Operator's allocation procedures and estimated manpower costs as the Operating Committee may determine;
 - (3) comply with the requirements of the Contract; and
 - (4) contain an estimate of funds to be expended by Calendar Quarter.
- (C) The Work Program and Budget shall designate the portion or portions of the Contract Area in which Joint Operations itemized in such Work Program and Budget are to be conducted and shall specify the kind and extent of such operations in such detail as the Operating Committee may deem suitable.

6.4 Contract Awards

Operator shall award each contract for Joint Operations under any approved Work Program and Budget on the following basis (the amounts stated are in thousands of U.S. dollars):

	<u>Procedure A</u>	<u>Procedure B</u>	<u>Procedure C</u>
Exploration and Appraisal Operations	\$0 to \$250,000	\$250,001 to \$2,499,999	\$2,500,000+
Development Operations	\$0 to \$250,000	\$250,001 to \$2,499,999	\$2,500,000+
Production Operations	\$0 to \$250,000	\$250,001 to \$2,499,999	\$2,500,000+

Procedure

- (A) Operator shall award the contract to the best qualified contractor as determined by cost and ability to perform the contract without the obligation to tender and without informing or seeking the approval of the Operating Committee, except that before entering into contracts with Affiliates of the Operator exceeding U.S. dollars one hundred thousand (U.S.\$100,000), Operator shall obtain the approval of the Operating Committee

Procedure

- (B) Operator shall:
- (1) Provide the Parties with a list of the entities whom Operator proposes to invite to tender for the said contract;
 - (2) Add to such list any entity whom a Party requests to be added within fourteen (14) Days of receipt of such list;
 - (3) Complete the tendering process within a reasonable period of time;
 - (4) Inform the Parties of the entities to whom the contract has been awarded, provided that before awarding contracts to Affiliates of the Operator which exceed U.S. dollars one hundred thousand (U.S.\$100,000), Operator shall obtain the approval of the Operating Committee;
 - (5) Circulate to the Parties a competitive bid analysis stating the reasons for the choice made; and
 - (6) Upon the request of a Party, provide such Party with a copy of the final version of the contract awarded.

Procedure

- (C) Operator shall:
- (1) Provide the Parties with a list of the entities whom Operator proposes to invite to tender for the said contract;
 - (2) Add to such list any entity whom a Party requests to be added within fourteen (14) Days of receipt of such list;
 - (3) Prepare and dispatch the tender documents to the entities on the list as aforesaid and to Non-Operators;
 - (4) After the expiration of the period allowed for tendering, consider and analyze the details of all bids received;
 - (5) Prepare and circulate to the Parties a competitive bid analysis, stating Operator's recommendation as to the entity to whom the contract should be awarded, the reasons therefor, and the technical, commercial and contractual terms to be agreed upon;
 - (6) Obtain the approval of the Operating Committee to the recommended bid; and

- (7) Upon the request of a Party, provide such Party with a copy of the final version of the contract.

6.5 Authorization for Expenditure ("AFE") Procedure

- (A) Prior to incurring any commitment or expenditure for the Joint Account, which is estimated to be:
- (1) In excess of U.S. dollars fifty thousand (U.S.\$50,000) in an exploration or appraisal Work Program and Budget;
 - (2) In excess of U.S. dollars fifty thousand (U.S.\$50,000) in a development Work Program and Budget; and
 - (3) In excess of U.S. dollars fifty thousand (U.S.\$50,000) in a production Work Program and Budget, Operator shall send to each Non-Operator an AFE as described in Article 6.6(C). Notwithstanding the above, Operator shall not be obliged to furnish an AFE to the Parties with respect to any Minimum Work Obligations, workovers of wells and general and administrative costs that are listed as separate line items in an approved Work Program and Budget.
- (B) All AFEs shall be for informational purposes only. Approval of an operation in the current Work Program and Budget shall authorize Operator to conduct the operation (subject to Article 6.7) without further authorization from the Operating Committee.

6.6 Overexpenditures of Work Programs and Budgets

- (A) For expenditures on any line item of an approved Work Program and Budget, Operator shall be entitled to incur without further approval of the Operating Committee an overexpenditure for such line item up to ten percent (10%) of the authorized amount for such line item; provided that the cumulative total of all overexpenditures for a Calendar Year shall not exceed five percent (5%) of the total Work Program and Budget in question.
- (B) At such time that Operator is certain that the limits of Article 6.7(A) will be exceeded, Operator shall furnish a supplemental AFE for the estimated overexpenditures to the Operating Committee for its approval and shall provide the Parties with full details of such overexpenditures. Operator shall promptly give notice of the amounts of overexpenditures when actually incurred.
- (C) The restrictions contained in this Article VI shall be without prejudice to Operator's rights to make expenditures as set out in Article 4.2(B)(1) and Article 13.5.

ARTICLE VII – OPERATIONS BY LESS THAN ALL PARTIES

7.1 Limitation on Applicability

- (A) No operations may be conducted in furtherance of the Contract except as Joint Operations under Article V or as Exclusive Operations under this Article VII. No Exclusive Operation shall be conducted which conflicts with a Joint Operation.
- (B) Operations which are required to fulfill the Minimum Work Obligations must be proposed and conducted as Joint Operations under Article V, and may not be proposed or conducted as Exclusive Operations under this Article VII.

- (C) Except for Exclusive Operations relating to Deepening, Testing, Completing, Sidetracking, Plugging Back, Recompletions or Reworking of a well originally drilled to fulfill the Minimum Work Obligations, no Exclusive Operations may be proposed or conducted during any period, subperiod or extension period of the Exploration Period until the Minimum Work Obligations under the Contract are fulfilled in relation to such period, subperiod or extension period.
- (D) No Party may propose or conduct an Exclusive Operation under this Article VII, unless and until such Party has properly exercised its right to propose an Exclusive Operation pursuant to Article 5.13, or is entitled to conduct an Exclusive Operation pursuant to Article X.
- (E) Any operation that may be proposed and conducted as a Joint Operation, other than operations pursuant to an approved Development Plan, may be proposed and conducted as an Exclusive Operation, subject to the terms of this Article VII.

7.2 Procedure to Propose Exclusive Operations

- (A) Subject to Article 7.1, if any Party proposes to conduct an Exclusive Operation, such Party shall give notice of the proposed operation to all Parties, other than Non-Consenting Parties who have relinquished their rights to participate in such operation pursuant to Article 7.4(B) or Article 7.4(F) and have no option to reinstate such rights under Article 7.4(C). Such notice shall specify that such operation is proposed as an Exclusive Operation, the work to be performed, the location, the objectives, and estimated cost of such operation.
- (B) Any Party entitled to receive such notice shall have the right to participate in the proposed operation.
 - (1) For proposals to Deepen, Test, Complete, Sidetrack, Plug Back, Recomplete or Rework involving the use of a drilling rig that is standing by in the Contract Area, any such Party wishing to exercise such right must so notify Operator within twenty-four (24) hours after receipt of the notice proposing the Exclusive Operation.
 - (2) For proposals to develop a Discovery, any Party wishing to exercise such right must so notify the Party proposing to develop within twenty (20) Days after receipt of the notice proposing the Exclusive Operation.
 - (3) For all other proposals, any such Party wishing to exercise such right must so notify Operator within ten (10) Days after receipt of the notice proposing the Exclusive Operation;
- (C) Failure of a Party to whom a proposal notice is delivered to properly reply within the period specified above shall constitute an election by that Party not to participate in the proposed operation.
- (D) If all Parties properly exercise their rights to participate, then the proposed operation shall be conducted as a Joint Operation. The Operator shall commence such Joint Operation as promptly as practicable and conduct it with due diligence.
- (E) If less than all Parties entitled to receive such proposal notice properly exercise their rights to participate, then:
 - (1) The Party proposing the Exclusive Operation, together with any other Consenting Parties, shall have the right exercisable for the applicable notice

period set out in Article 7.2(B), to instruct Operator (subject to Article 7.10(G)) to conduct the Exclusive Operation.

- (2) If the Exclusive Operation is conducted, the Consenting Parties shall bear the sole liability and expense of such Exclusive Operation, with each Consenting Party bearing a fraction of such liability and expense, the numerator of which is such Consenting Party's Participating Interest as stated in Article 3.2(A) and the denominator of which is the aggregate of the Participating Interests of the Consenting Parties as stated in Article 3.2(A), or as the Consenting Parties may otherwise agree.
- (3) If such Exclusive Operation has not been commenced within ninety (90) Days (excluding any extension specifically agreed by all Parties or allowed by the force majeure provisions of Article XVI) after the date of the instruction given to Operator under Article 7.2(F)(1), the right to conduct such Exclusive Operation shall terminate. If any Party still desires to conduct such Exclusive Operation, notice proposing such operation must be resubmitted to the Parties in accordance with Article V, as if no proposal to conduct an Exclusive Operation had been previously made.

7.3 Responsibility for Exclusive Operations

- (A) The Consenting Parties shall bear in accordance with the Participating Interests agreed under Article 7.2(E) the entire cost and liability of conducting an Exclusive Operation and shall indemnify the Non-Consenting Parties from any and all costs and liabilities incurred incident to such Exclusive Operation (including but not limited to all costs, expenses or liabilities for environmental, consequential, punitive or any other similar indirect damages or losses arising from business interruption, reservoir or formation damage, inability to produce petroleum, loss of profits, pollution control and environmental amelioration or rehabilitation) and shall keep the Contract Area free and clear of all liens and encumbrances of every kind created by or arising from such Exclusive Operation.
- (B) Notwithstanding Article 7.3(A), each Party shall continue to bear its Participating Interest share of the cost and liability incident to the operations in which it participated, including but not limited to plugging and abandoning and restoring the surface location, but only to the extent those costs were not increased by the Exclusive Operation.

7.4 Consequences of Exclusive Operations

- (A) With regard to any Exclusive Operation, for so long as a Non-Consenting Party has the option under Article 7.4(C) to reinstate the rights it relinquished under Article 7.4(B), such Non-Consenting Party shall be entitled to have access concurrently with the Consenting Parties to all data and other information relating to such Exclusive Operation, other than G & G Data obtained in an Exclusive Operation. If a Non-Consenting Party desires to receive and acquire the right to use such G & G Data, then such Non-Consenting Party shall have the right to do so by paying to the Consenting Parties its Participating Interest share as set out in Article 3.2(A) of the cost incurred in obtaining such G & G Data.
- (B) Subject to Article 7.4(C) (and Articles 7.6(E) and 7.8, if selected), each Non-Consenting Party shall be deemed to have relinquished to the Consenting Parties, and the Consenting Parties shall be deemed to own, in proportion to their respective Participating Interests in any Exclusive Operation:

- (1) All of each such Non-Consenting Party's right to participate in further operations in the well or Deepened or Sidetracked portion of a well in which the Exclusive Operation was conducted and on any Discovery made or appraised in the course of such Exclusive Operation; and
 - (2) All of each such Non-Consenting Party's right pursuant to the Contract to take and dispose of Hydrocarbons produced and saved:
 - (a) From the well or Deepened or Sidetracked portion of a well in which such Exclusive Operation was conducted; and
 - (b) From any wells drilled to appraise or develop a Discovery made or appraised in the course of such Exclusive Operation.
- (C) A Non-Consenting Party shall have only the following options to reinstate the rights it relinquished pursuant to Article 7.4(B):
- (1) If the Consenting Parties decide to appraise a Discovery made in the course of an Exclusive Operation, the Consenting Parties shall submit to each Non-Consenting Party the approved appraisal program. For thirty (30) Days (or forty-eight (48) hours if the drilling rig which is to be used in such appraisal program is standing by in the Contract Area) from receipt of such appraisal program, each Non-Consenting Party shall have the option to reinstate the rights it relinquished pursuant to Article 7.4(B) and to participate in such appraisal program. The Non-Consenting Party may exercise such option by notifying Operator within the period specified above that such Non-Consenting Party agrees to bear its Participating Interest share of the expense and liability of such appraisal program, to pay the lump sum amount as set out in Article 7.5(A) and to pay the Cash Premium as set out in Article 7.5(B);
 - (2) If the Consenting Parties decide to develop a Discovery made or appraised in the course of an Exclusive Operation, the Consenting Parties shall submit to the Non-Consenting Parties a Development Plan substantially in the form intended to be submitted to the Government under the Contract. For sixty (60) Days from receipt of such Development Plan or such lesser period of time prescribed by the Contract, each Non-Consenting Party shall have the option to reinstate the rights it relinquished pursuant to Article 7.4(B) and to participate in such Development Plan. The Non-Consenting Party may exercise such option by notifying the Party proposing to act as Operator for such Development Plan within the period specified above that such Non-Consenting Party agrees to bear its Participating Interest share of the liability and expense of such Development Plan and such future operating and producing costs, to pay the lump sum amount as set out in Article 7.5(A) and to pay the Cash Premium as set out in Article 7.5(B);
 - (3) If the Consenting Parties decide to Deepen, Complete, Sidetrack, Plug Back or Recomplete an Exclusive Well and such further operation was not included in the original proposal for such Exclusive Well, the Consenting Parties shall submit to the Non-Consenting Parties the approved AFE for such further operation. For thirty (30) Days (or forty-eight (48) hours if the drilling rig which is to be used in such operation is standing by in the Contract Area) from receipt of such AFE, each Non-Consenting Party shall have the option to reinstate the rights it relinquished pursuant to Article 7.4(B) and to participate in such operation. The Non-Consenting Party may exercise such option by notifying the Operator within the period specified above that such Non-Consenting Party agrees to bear its Participating Interest

share of the liability and expense of such further operation, to pay the lump sum amount as set out in Article 7.5(A) and to pay the Cash Premium as set out in Article 7.5(B);

A Non-Consenting Party shall not be entitled to reinstate its rights in any other type of operation.

- (D) If a Non-Consenting Party does not properly and in a timely manner exercise such option, including paying in a timely manner in accordance with Article 7.5 all lump sum amounts and Cash Premiums, if any, due to the Consenting Parties, such Non-Consenting Party shall have forfeited the options as set out in Article 7.4(C) and the right to participate in the proposed program, unless such program, plan or operation is materially modified or expanded (in which case a new notice and option shall be given to such Non-Consenting Party under Article 7.4(C)).
- (E) A Non-Consenting Party shall become a Consenting Party with regard to an Exclusive Operation at such time as the Non-Consenting Party gives notice pursuant to Article 7.4(C); provided that such Non-Consenting Party shall in no way be deemed to be entitled to any lump sum amount Cash Premium paid incident to such Exclusive Operation. Such Non-Consenting Party shall be entitled to recover its Participating Interest share of expenses paid pursuant to Article 7.5(A) (but not the amount of any associated Cash Premium) from Cost Oil in accordance with Article XIX. The Participating Interest of such Non-Consenting Party in such Exclusive Operation shall be its Participating Interest set out in Article 3.2(A). The Consenting Parties shall contribute to the Participating Interest of the Non-Consenting Party in proportion to the excess Participating Interest that each received under Article 7.2(E). If all Parties participate in the proposed operation, then such operation shall be conducted as a Joint Operation pursuant to Article V.
- (F) If after the expiry of the period in which a Non-Consenting Party may exercise its option to participate in a Development Plan the Consenting Parties desire to proceed, the Party chosen by the Consenting Parties proposing to act as Operator for such development, shall give notice to the Government under the appropriate provision of the Contract requesting a meeting to advise the Government that the Consenting Parties consider the Discovery to be a Commercial Discovery. Following such meeting such Operator for such development shall apply for an Exploitation Area (if applicable in the Contract). Unless the Development Plan is materially modified or expanded prior to the commencement of operations under such plan (in which case a new notice and option shall be given to the Non-Consenting Parties under Article 7.4(C)), each Non-Consenting Party to such Development Plan shall:
- (1) If the Contract so allows, elect not to apply for an Exploitation Area covering such development and forfeit all interest in such Exploitation Area, or
 - (2) If the Contract does not so allow, be deemed to have:
 - (a) Elected not to apply for an Exploitation Area covering such development;
 - (b) Forfeited all economic interest in such Exploitation Area;
 - (c) Assumed a fiduciary duty to exercise its legal interest in such Exploitation Area for the benefit of the Consenting Parties.

In either case such Non-Consenting Party shall be deemed to have withdrawn from this Agreement to the extent it relates to such Exploitation Area, even if the Development Plan is modified or expanded subsequent to the

commencement of operations under such Development Plan and shall be further deemed to have forfeited any right to participate in the construction and ownership of facilities outside such Exploitation Area designed solely for the use of such Exploitation Area.

7.5 Premium to Participate in Exclusive Operations

- (A) Within thirty (30) Days of the exercise of its option under Article 7.4(C), each such Non-Consenting Party shall pay in immediately available funds to the Consenting Parties in proportion to their respective Participating Interests in such Exclusive Operations a lump sum amount payable in the currency designated by such Consenting Parties. Such lump sum amount shall be equal to such Non-Consenting Party's Participating Interest share of all liabilities and expenses, including overhead, that were incurred in every Exclusive Operations relating to the Discovery, or well, as the case may be, in which the Non-Consenting Party desires to reinstate the rights it relinquished pursuant to Article 7.4(B), and that were not previously paid by such Non-Consenting Party.
- (B) In addition to Article 7.5(A), if a Cash Premium is due, then within thirty (30) Days of the exercise of its option under Article 7.4(C) each such Non-Consenting Party shall pay in immediately available funds, in the currency designated by the Consenting Parties who took the risk of such Exclusive Operations, to such Consenting Parties in proportion to their respective Participating Interests a Cash Premium equal to the total of:
- (1) five hundred percent (500%) of such Non-Consenting Party's Participating Interest share of all liabilities and expenses, including overhead, that were incurred in any Exclusive Operations relating to the obtaining of the portion of the G & G Data which pertains to the Discovery, and that were not previously paid by such Non-Consenting Party; plus
 - (2) five hundred percent (500%) of such Non-Consenting Party's Participating Interest share of all liabilities and expenses, including overhead, that were incurred in any Exclusive Operations relating to the drilling, Deepening, Testing, Completing, Sidetracking, Plugging Back, Recompleting and Reworking of the Exploration Well which made the Discovery in which the Non-Consenting Party desires to reinstate the rights it relinquished pursuant to Article 7.4(B), and that were not previously paid by such Non-Consenting Party; plus
 - (3) five hundred percent (500%) of the Non-Consenting Party's Participating Interest share of all liabilities and expenses, including overhead, that were incurred in any Exclusive Operations relating to the drilling, Deepening, Testing, Completing, Sidetracking, Plugging Back, Recompleting and Reworking of the Appraisal Well(s) which delineated the Discovery in which the Non-Consenting Party desires to reinstate the rights it relinquished pursuant to Article 7.4(B), and that were not previously paid by such Non-Consenting Party.

7.6 Order of Preference of Operations

- (A) Except as otherwise specifically provided in this Agreement, if any Party desires to propose the conduct of an operation that will conflict with an existing proposal for an Exclusive Operation, such Party shall have the right exercisable for five (5) Days, or twenty-four (24) hours if the drilling rig to be used is standing by in the Contract Area, from receipt of the proposal for the Exclusive Operation, to deliver to all Parties entitled to participate in the proposed operation such Party's alternative

proposal. Such alternative proposal shall contain the information required under Article 7.2(A).

- (B) Each Party receiving such proposals shall elect by delivery of notice to Operator within the appropriate response period set out in Article 7.2(B) to participate in one of the competing proposals. Any Party not notifying Operator within the response period shall be deemed to have voted against the proposal.
- (C) The proposal receiving the largest aggregate Participating Interest vote shall have priority over all other competing proposals. In the case of a tie vote, the Operator shall choose among the proposals receiving the largest aggregate Participating Interest vote. Operator shall deliver notice of such result to all Parties entitled to participate in the operation within five (5) Days of the end of the response period, or twenty-four (24) hours if the drilling rig to be used is standing by in the Contract Area.
- (D) Each Party shall then have two (2) Days (or twenty-four (24) hours if the drilling rig to be used is standing by in the Contract Area) from receipt of such notice to elect by delivery of notice to Operator whether such Party will participate in such Exclusive Operation, or will relinquish its interest pursuant to Article 7.4(B). Failure by a Party to deliver such notice within such period shall be deemed an election not to participate in the prevailing proposal.

7.7 Stand-By Costs

- (A) When an operation has been performed, all tests have been conducted and the results of such tests furnished to the Parties, stand by costs incurred pending response to any Party's notice proposing an Exclusive Operation for Deepening, Testing, Sidetracking, Completing, Plugging Back, ReCompleting, Reworking or other further operation in such well (including the period required under Article 7.6 to resolve competing proposals) shall be charged and borne as part of the operation just completed. Stand by costs incurred subsequent to all Parties responding, or expiration of the response time permitted, whichever first occurs, shall be charged to and borne by the Parties proposing the Exclusive Operation in proportion to their Participating Interests, regardless of whether such Exclusive Operation is actually conducted.
- (B) If a further operation is proposed while the drilling rig to be utilized is on location, any Party may request and receive up to five (5) additional Days after expiration of the applicable response period specified in Article 7.2(B) within which to respond by notifying Operator that such Party agrees to bear all stand by costs and other costs incurred during such extended response period. Operator may require such Party to pay the estimated stand by time in advance as a condition to extending the response period. If more than one Party requests such additional time to respond to the notice, stand by costs shall be allocated between such Parties on a Day-to-Day basis in proportion to their Participating Interests.

7.8 Use of Property

The Parties participating in any Deepening, Testing, Completing, Sidetracking, Plugging Back, ReCompleting or Reworking of any well drilled under this Agreement shall be permitted to use, free of cost, all casing, tubing and other equipment in the well that is not needed for operations by the owners of the wellbore, but the ownership of all such equipment shall remain unchanged. On abandonment of a well in which operations with differing participation have been conducted, the Parties abandoning the well shall account for all equipment in the well to the Parties owning such equipment by tendering to them their

respective Participating Interest shares of the value of such equipment less the cost of salvage.

7.9 Production Bonuses

Production Bonuses (if any) shall be charged to the Joint Account if there is no Hydrocarbon production from an Exclusive Operation at the time they are incurred. If there is Hydrocarbon production from one or more Exclusive Operations, then any Production Bonus which becomes payable under the Contract shall be borne by each Exploitation Area in the proportion that its cumulative production of Hydrocarbons bears to the total cumulative production of Hydrocarbons from the Contract Area. The Parties in an Exploitation Area shall bear any Production Bonus allocated to that Exploitation Area in accordance with their Participating Interests in that Exploitation Area as of the date on which liability for the production bonus was incurred. Only types and grades of Hydrocarbons used for the determination of any Production Bonus under the Contract shall be utilized in the calculations in this Article 7.9.

7.10 Miscellaneous

- (A) Each Exclusive Operation shall be carried out by the Consenting Parties acting as the Operating Committee, subject to the provisions of this Agreement applied mutatis mutandis to such Exclusive Operation and subject to the terms and conditions of the Contract.
- (B) The computation of liabilities and expenses incurred in Exclusive Operations, including the liabilities and expenses of Operator for conducting such operations, shall be made in accordance with the principles set out in the Accounting Procedure.
- (C) Operator shall maintain separate books, financial records and accounts for Exclusive Operations which shall be subject to the same rights of audit and examination as the Joint Account and related records, all as provided in the Accounting Procedure. Said rights of audit and examination shall extend to each of the Consenting Parties and each of the Non-Consenting Parties so long as the latter are, or may be, entitled to elect to participate in such operations.
- (D) Operator, if it is conducting an Exclusive Operation for the Consenting Parties, regardless of whether it is participating in that Exclusive Operation, shall be entitled to request cash advances and shall not be required to use its own funds to pay any cost and expense and shall not be obliged to commence or continue Exclusive Operations until cash advances requested have been made, and the Accounting Procedure shall apply to Operator in respect of any Exclusive Operations conducted by it.
- (E) Should the submission of a Development Plan be approved in accordance with Article 5.9, or should any Party propose a development in accordance with Article VII, with either proposal not calling for the conduct of additional appraisal drilling, and should any Party wish to drill an additional Appraisal Well prior to development, then the Party proposing the Appraisal Well as an Exclusive Operation shall be entitled to proceed first, but without the right (subject to the following sentence) to future reimbursement pursuant to Article 7.5. If such an Appraisal Well is produced, the Consenting Party or Parties shall own and have the right to take in kind and separately dispose of all of the Non-Consenting Parties' Entitlement from such Appraisal Well until the value thereof, determined in accordance with Article 7.5(F), equals one hundred percent (100%) of such Non-Consenting Parties' Participating Interest shares of all liabilities and expenses, including overhead, that were incurred in any Exclusive Operations relating to the Appraisal Well. If, as the result of drilling such Appraisal Well as an Exclusive Operation, the Party proposing

to apply for an Exploitation Area decides to not develop the reservoir, then each Non-Consenting Party who voted in favor of such Development Plan prior to the drilling of such Appraisal Well shall pay to the Consenting Party the amount such Non-Consenting Party would have paid had such Appraisal Well been drilled as a Joint Operation.

- (F) The value of Hydrocarbons received by a Consenting Party for the purposes of Article 7.10(E) shall be the weighted average price per Barrel (f.o.b. the point of delivery of the Cost Oil and Profit Oil to the Consenting Parties) which such Consenting Party receives from the sale of such Hydrocarbons to non-affiliated purchasers in arms length transactions. For sales to Affiliates, the price so used shall be the price at which Hydrocarbons of similar grade, gravity and quality (adjusted for differentials in accordance with regularly established practice) were sold generally on world markets during the particular period of sale, in free and fair arms-length transactions, with due adjustments being made for differing geographical locations. Notwithstanding the fact that royalty or any other payment obligation to the Government is based on an "official" or "Government" stated price, the price used for calculation of the value of Hydrocarbons for the purposes of Article 7.10(E) shall be the price determined in accordance with this Article 7.10(F).
- (G) If the Operator is a Non-Consenting Party to an Exclusive Operation to develop a Discovery, then subject to obtaining any necessary Government approvals the Operator may resign, but in any event shall resign on the request of the Consenting Parties, as Operator for the Exploitation Area for such Discovery and the Consenting Parties shall select a Party to serve as Operator.

ARTICLE VIII - DEFAULT

8.1 Default and Notice

Any Party that fails to pay when due its Participating Interest share of Joint Account expenses, including cash advances and interest, shall be in default under this Agreement (a "Defaulting Party"). Operator, or any non-defaulting Party in the case Operator is the Defaulting Party, shall promptly give notice of such default to the Defaulting Party and each of the non-defaulting Parties (the "Default Notice"). The amount not paid by the Defaulting Party shall bear interest from the date due until paid in full at the Agreed Interest Rate.

8.2 Operating Committee Meetings and Data

Beginning five (5) Business Days from the date of the Default Notice, and thereafter while the Defaulting Party remains in default, the Defaulting Party shall not be entitled to attend Operating Committee or subcommittee meetings or to vote on any matter coming before the Operating Committee or any subcommittee until all of its defaults have been remedied (including payment of accrued interest). Unless agreed otherwise by the non-defaulting Parties, the voting interest of each non-defaulting Party during this period shall be its percentage of the total Participating Interests of the non-defaulting Parties. Any matters requiring a unanimous vote of the Parties shall not require the vote of the Defaulting Party. In addition, beginning five (5) Business Days from the date of the Default Notice, and thereafter while the Defaulting Party remains in default, the Defaulting Party shall not have access to any data or information relating to Joint Operations. During this period, the non-defaulting Parties shall be entitled to trade data without such Defaulting Party's consent, and the Defaulting Party shall have no right to any data received in such a trade unless and until its default is remedied in full. The Defaulting Party shall be deemed to have elected not to participate in any Joint Operations or Exclusive Operations that are voted upon at least five (5) Business Days after the date of the Default Notice but before all of its defaults have been

remedied to the extent such an election would be permitted by Article 5.13(B) of this Agreement. The Defaulting Party shall be deemed to have approved, and shall join with the non-defaulting Parties in taking, any other actions voted on during that period.

8.3 Allocation of Defaulted Accounts

- (A) The Party providing the Default Notice pursuant to Article 8.1 shall include in the Default Notice to each non-defaulting Party a statement of the sum of money that the non-defaulting Party is to pay as its portion (such portion being in the ratio that each non-defaulting Party's Participating Interest bears to the Participating Interests of all non-defaulting Parties) of the amount in default (excluding interest), subject to the terms of this Article 8.3. If the Defaulting Party remedies its default in full within five (5) Business Days from the date of the Default Notice, the notifying Party shall promptly notify each non-defaulting Party by telephone and facsimile, and the non-defaulting Parties shall be relieved of their obligation to pay a share of the amounts in default. Otherwise, each non-defaulting Party shall pay Operator, within five (5) Business Days after receipt of the Default Notice, its share of the amount which the Defaulting Party failed to pay. If any non-defaulting Party fails to pay its share of the amount in default as aforesaid, such Party shall thereupon be a Defaulting Party subject to the provisions of this Article VIII. The non-defaulting Parties which pay the amount owed by any Defaulting Party shall be entitled to receive their respective shares of the principal and interest payable by such Defaulting Party pursuant to this Article VIII.
- (B) If Operator is a Defaulting Party, then all payments otherwise payable to Operator for Joint Account costs pursuant to this Agreement shall be made to the notifying Party instead until the default is cured or a successor Operator appointed. The notifying Party shall maintain such funds in a segregated account separate from its own funds and shall apply such funds to third party claims due and payable from the Joint Account of which it has notice, to the extent Operator would be authorized to make such payments under the terms of this Agreement. The notifying Party shall be entitled to bill or cash call the other Parties in accordance with the Accounting Procedure for proper third party charges that become due and payable during such period to the extent sufficient funds are not available. When Operator has cured its default or a successor Operator is appointed, the notifying Party shall turn over all remaining funds in the account to Operator and shall provide Operator and the other Parties with a detailed accounting of the funds received and expended during this period. The notifying Party shall not be liable for damages, losses, costs, expenses or liabilities arising as a result of its actions under this Article 8.3(B) except to the extent Operator would be liable under Article 4.6.

8.4 Remedies

- (A) During the continuance of a default, the Defaulting Party shall not have a right to its Entitlement, which shall vest in and be the property of the non-defaulting Parties. Operator (or the notifying Party if Operator is a Defaulting Party) shall be authorized to sell such Entitlement in an arm's-length sale on terms that are commercially reasonable under the circumstances and, after deducting all costs, charges and expenses incurred in connection with such sale, pay the net proceeds to the non-defaulting Parties in proportion to the amounts they are owed by the Defaulting Party hereunder (and apply such net proceeds toward the establishment of a reserve fund under Article 8.4(C), if applicable) until all such amounts are recovered and such reserve fund is established. Any surplus remaining shall be paid to the Defaulting Party, and any deficiency shall remain a debt due from the Defaulting Party to the non-defaulting Parties. When making sales under this Article 8.4(A), the non-defaulting Parties shall have no obligation to share any existing market or obtain a price equal to the price at which their own production is sold.

- (B) If Operator disposes of any Joint Property or any other credit or adjustment is made to the Joint Account while a Party is in default, Operator (or the notifying Party if Operator is a Defaulting Party) shall be entitled to apply the Defaulting Party's Participating Interest share of the proceeds of such disposal, credit or adjustment against all amounts owing by the Defaulting Party to the non-defaulting Parties hereunder (and toward the establishment of a reserve fund under Article 8.4(C), if applicable). Any surplus remaining shall be paid to the Defaulting Party, and any deficiency shall remain a debt due from the Defaulting Party to the non-defaulting Parties.
- (C) The non-defaulting Parties shall be entitled to apply proceeds received under Articles 8.4(A) and 8.4(B) toward the creation of a reserve fund in an amount equal to the Defaulting Party's Participating Interest share of (i) the estimated cost to abandon any wells and other property in which the Defaulting Party participated, (ii) the estimated cost of severance benefits for local employees upon cessation of operations and (iii) any other identifiable costs that the non-defaulting Parties anticipate will be incurred in connection with the cessation of operations.
- (D) If a Defaulting Party fails to remedy its default by the sixtieth (60th) Day following the date of the Default Notice, then, without prejudice to any other rights available to the non-defaulting Parties to recover amounts owing to them under this Agreement, each non-defaulting Party shall have the option, exercisable at anytime thereafter until the Defaulting Party has completely cured its defaults, to require that the Defaulting Party completely withdraw from this Agreement and the Contract. Such option shall be exercised by notice to the Defaulting Party and each non-defaulting Party. If such option is exercised, the Defaulting Party shall be deemed to have transferred, pursuant to Article 13.6, effective on the date of the non-defaulting Party's notice, all of its right, title and beneficial interest in and under this Agreement and the Contract to the non-defaulting Parties. The Defaulting Party shall, without delay following any request from the non-defaulting Parties, do any and all acts required to be done by applicable law or regulation in order to render such transfer legally valid, including, without limitation, obtaining all governmental consents and approvals, and shall execute any and all documents and take such other actions as may be necessary in order to effect a prompt and valid transfer of the interests described above. The Defaulting Party shall be obligated to promptly remove any liens and encumbrances which may exist on such transferred interests. For purposes of this Article 8.4(D), each Party constitutes and appoints each other Party its true and lawful attorney to execute such instruments and make such filings and applications as may be necessary to make such transfer legally effective and to obtain any necessary consents of the Government. Actions under this power of attorney may be taken by any Party individually without the joinder of the others. This power of attorney is irrevocable for the term of this Agreement and is coupled with an interest. If requested, each Party shall execute a form prescribed by the Operating Committee setting forth this power of attorney in more detail. In the event all Government approvals are not timely obtained, the Defaulting Party shall hold its Participating Interest in trust for the non-defaulting Parties who are entitled to receive the Defaulting Party's Participating Interest. Notwithstanding the terms of Article XIII, in the absence of an agreement among the non-defaulting Parties to the contrary, any transfer to the non-defaulting Parties following a withdrawal pursuant to this Article 8.4(D) shall be in proportion to the Participating Interests of the non-defaulting Parties. The acceptance by a non-defaulting Party of any portion of a Defaulting Party's Participating Interest shall not limit any rights or remedies that the non-defaulting Party has to recover all amounts (including interest) owing under this Agreement by the Defaulting Party.

- (E) The non-defaulting Parties shall be entitled to recover from the Defaulting Party all reasonable attorneys' fees and all other reasonable costs sustained in the collection of amounts owing by the Defaulting Party.
- (F) The rights and remedies granted to the non-defaulting Parties in this Agreement shall be cumulative, not exclusive, and shall be in addition to any other rights and remedies that may be available to the non-defaulting Parties, whether at law, in equity or otherwise. Each right and remedy available to the non-defaulting Parties may be exercised from time to time and so often and in such order as may be considered expedient by the non-defaulting Parties in their sole discretion.

8.5 Survival

The obligations of the Defaulting Party and the rights of the non-defaulting Parties shall survive the surrender of the Contract, abandonment of Joint Operations and termination of this Agreement.

8.6 No Right of Set Off

Each Party acknowledges and accepts that a fundamental principle of this Agreement is that each Party pays its Participating Interest share of all amounts due under this Agreement as and when required. Accordingly, any Party which becomes a Defaulting Party undertakes that, in respect of either any exercise by the non-defaulting Parties of any rights under or the application of any of the provisions of this Article VIII, such Party hereby waives any right to raise by way of set off or invoke as a defense, whether in law or equity, any failure by any other Party to pay amounts due and owing under this Agreement or any alleged claim that such Party may have against Operator or any Non-Operator, whether such claim arises under this Agreement or otherwise. Each Party further agrees that the nature and the amount of the remedies granted to the non-defaulting Parties hereunder are reasonable and appropriate in the circumstances.

ARTICLE IX – DISPOSITION OF PRODUCTION

9.1 Right and Obligation to Take in Kind

Except as otherwise provided in this Article IX or in Article VIII, each Party shall have the right and obligation to own, take in kind and separately dispose of the share of total production available to it from any Exploitation Area pursuant to the Contract and this Agreement in such quantities and in accordance with such procedures as may be set forth in the offtake agreement referred to in Article 9.2 or in the special arrangements for natural gas referred to in Article 9.3. If GNPC is party to the offtake agreement, then the Parties shall endeavor to obtain its agreement to the principles set forth in this Article IX.

9.2 Offtake Agreement for Crude Oil

If crude oil is to be produced from an Exploitation Area, the Parties shall in good faith, and not less than three (3) months prior to first delivery of crude oil, negotiate and conclude the terms of an agreement to cover the offtake of crude oil produced under the Contract. GNPC may, if necessary and practicable, also be party to the offtake agreement. This offtake agreement shall, to the extent consistent with the Contract, make provision for:

- (A) The delivery point, at which title and risk of loss of Participating Interest shares of crude oil shall pass to the Parties interested (or as the Parties may otherwise agree);

- (B) Operator's regular periodic advice to the Parties of estimates of total available production for succeeding periods, quantities of each grade of crude oil and each Party's share for as far ahead as is necessary for Operator and the Parties to plan offtake arrangements. Such advice shall also cover for each grade of crude oil total available production and deliveries for the preceding period, inventory and overlifts and underlifts;
- (C) Nomination by the Parties to Operator of acceptance of their shares of total available production for the succeeding period. Such nominations shall in any one period be for each Party's entire share of available production during that period subject to operational tolerances and agreed minimum economic cargo sizes or as the Parties may otherwise agree;
- (D) Elimination of overlifts and underlifts;
- (E) If offshore loading or a shore terminal for vessel loading is involved, risks regarding acceptability of tankers, demurrage and (if applicable) availability of berths;
- (F) Distribution to the Parties of available grades, gravities and qualities of Hydrocarbons to ensure, to the extent Parties take delivery of their Entitlements as they accrue, that each Party shall receive in each period Entitlements of grades, gravities and qualities of Hydrocarbons from each Exploitation Area in which it participates similar to the grades, gravities and qualities of Hydrocarbons received by each other Party from that Exploitation Area in that period.
- (G) To the extent that distribution of Entitlements on such basis is impracticable due to availability of facilities and minimum cargo sizes, a method of making periodic adjustments; and
- (H) The option and the right of the other Parties to sell an Entitlement which a Party fails to nominate for acceptance pursuant to (C) above or of which a Party fails to take delivery, in accordance with applicable agreed procedures, provided that such failure either constitutes a breach of Operator's or Parties' obligations under the terms of the Contract, or is likely to result in the curtailment or shut-in of production. Such sales shall be made only to the limited extent necessary to avoid disruption in Joint Operations. Operator shall give all Parties as much notice as is practicable of such situation and that a sale option has arisen. Any sale shall be of the unominated or undelivered Entitlement as the case may be and for reasonable periods of time as are consistent with the minimum needs of the industry and in no event to exceed twelve (12) months. The right of sale shall be revocable at will subject to any prior contractual commitments. Payment terms for production sold under this option shall be established in the offtake agreement.

If an offtake agreement has not been entered into by the date of first delivery of crude oil, the Parties shall be bound by the principles set forth in this Article 9.2 until an offtake agreement has been entered into.

9.3 Separate Agreement for Natural Gas

The Parties recognize that if natural gas is discovered it may be necessary for the Parties to enter into special arrangements for the disposal of the natural gas, which are consistent with the Development Plan and subject to the terms of the Contract.

ARTICLE X - ABANDONMENT

10.1 Abandonment of Wells Drilled as Joint Operations

- (A) A decision to plug and abandon any well which has been drilled as a Joint Operation shall require the approval of the Operating Committee.
- (B) Should any Party fail to reply within the period prescribed in Article 5.12(A)(1) or Article 5.12(A)(2), whichever is applicable, after delivery of notice of the Operator's proposal to plug and abandon such well, such Party shall be deemed to have consented to the proposed abandonment.
- (C) If the Operating Committee approves a decision to plug and abandon an Exploration Well or Appraisal Well, any Party voting against such decision may propose, within the time periods allowed by Article 5.13(A), to conduct an alternate Exclusive Operation in the wellbore. If no Exclusive Operation is timely proposed, or if an Exclusive Operation is timely proposed but is not commenced within the applicable time periods under Article 7.2, such well shall be plugged and abandoned.
- (D) Any well plugged and abandoned under this Agreement shall be plugged and abandoned in accordance with applicable regulations and at the cost, risk and expense of the Parties who participated in the cost of drilling such well.
- (E) Notwithstanding anything to the contrary in this Article 10.1 or elsewhere in this Agreement:
 - (1) If the Operating Committee approves a decision to plug and abandon a well from which Hydrocarbons have been produced and sold, any Party voting against the decision may propose, within five (5) days after the time specified in Article 5.6 or Article 5.12 has expired, to take over the entire well as an Exclusive Operation. Any Party originally participating in the well shall be entitled to participate in the operation of the well as an Exclusive Operation by response notice within ten (10) Days after receipt of the notice proposing the Exclusive Operation. The Consenting Parties shall be entitled to continue producing only from the Zone open to production at the time they assumed responsibility for the well and shall not be entitled to drill a substitute well in the event that the well taken over becomes impaired or fails.
 - (2) Each Non-Consenting Party shall be deemed to have relinquished free of cost to the Consenting Parties in proportion to their Participating Interests all of its interest in the wellbore of a produced well and related equipment in accordance with Article 7.4(B). The Consenting Parties shall thereafter bear all cost and liability of plugging and abandoning such well in accordance with applicable regulations, to the extent the Parties are or become obligated to contribute to such costs and liabilities, and shall indemnify the Non-Consenting Parties against all such costs and liabilities.
 - (3) Subject to Article 7.10(G), Operator shall continue to operate a produced well for the account of the Consenting Parties at the rates and charges contemplated by this Agreement, plus any additional cost and charges which may arise as the result of the separate allocation of interest in such well.

10.2 Abandonment of Exclusive Operations

This Article X shall apply mutatis mutandis to the abandonment of an Exclusive Well or any well in which an Exclusive Operation has been conducted (in which event all Parties having

the right to conduct further operations in such well shall be notified and have the opportunity to conduct Exclusive Operations in the well in accordance with the provisions of this Article X).

ARTICLE XI - SURRENDER, EXTENSIONS AND RENEWALS

11.1 Surrender

- (A) If the Contract requires the Parties to surrender any portion of the Contract Area, Operator shall advise the Operating Committee of such requirement at least one hundred and twenty (120) Days in advance of the earlier of the date for filing irrevocable notice of such surrender or the date of such surrender. Prior to the end of such period, the Operating Committee shall determine pursuant to Article V the size and shape of the surrendered area, consistent with the requirements of the Contract. If a sufficient vote of the Operating Committee cannot be attained, then the proposal supported by a simple majority of the Participating Interests shall be adopted. If no proposal attains the support of a simple majority of the Participating Interests, then the proposal receiving the largest aggregate Participating Interest vote shall be adopted. In the event of a tie, the Operator shall choose among the proposals receiving the largest aggregate Participating Interest vote. The Parties shall execute any and all documents and take such other actions as may be necessary to effect the surrender. Each Party renounces all claims and causes of action against Operator and any other Parties on account of any area surrendered in accordance with the foregoing but against its recommendation if Hydrocarbons are subsequently discovered under the surrendered area.
- (B) A surrender of all or any part of the Contract Area which is not required by the Contract shall require the unanimous consent of the Parties.

11.2 Extension of the Term

- (A) A proposal by any Party to enter into or extend the term of any Exploration or Exploitation Period or any phase of the Contract, or a proposal to extend the term of the Contract, shall be brought before the Operating Committee pursuant to Article V.
- (B) Any Party shall have the right to enter into or extend the term of any Exploration or Exploitation Period or any phase of the Contract or to extend the term of the Contract, regardless of the level of support in the Operating Committee. If any Party or Parties take such action, any Party not wishing to extend shall have a right to withdraw, subject to the requirements of Article XIII.

ARTICLE XII - TRANSFER OF INTEREST OR RIGHTS

12.1 Obligations

- (A) Subject always to the requirements of the Contract, the transfer of all or part of a Party's Participating Interest, excepting transfers pursuant to Article VIII or Article XIII, shall be effective only if it satisfies the terms and conditions of this Article XII.
- (B) Except in the case of a Party transferring all of its Participating Interest, no transfer shall be made by any Party which results in the transferor or the transferee holding a

Participating Interest of less than five percent (5%) or holding any interest other than a Participating Interest in the Contract, the Contract Area and this Agreement.

- (C) The transferring Party shall, notwithstanding the transfer, be liable to the other Parties for any obligations, financial or otherwise, which have vested, matured or accrued under the provision of the Contract or this Agreement prior to such transfer. Such obligations shall include, without limitation, any proposed expenditure approved by the Operating Committee prior to the transferring Party notifying the other Parties of its proposed transfer.
- (D) The transferee shall have no rights in and under the Contract, the Contract Area or this Agreement unless and until it obtains any necessary Government approval and expressly undertakes in an instrument satisfactory to the other Parties to perform the obligations of the transferor under the Contract and this Agreement in respect of the Participating Interest being transferred and furnishes any guarantees required by the Government or the Contract.
- (E) A transferee other than an Affiliate shall have no rights in and under the Contract, the Contract Area or this Agreement unless each Party has consented in writing to such transfer, which consent shall be denied only if such transferee fails to establish to the reasonable satisfaction of each Party its capability to perform its obligations under the Contract and this Agreement.
- (F) Nothing contained in this Article XII shall prevent a Party from mortgaging, pledging, charging or otherwise encumbering all or part of its interest in the Contract Area and in and under this Agreement for the purpose of security relating to finance provided that:
 - (1) such Party shall remain liable for all obligations relating to such interest;
 - (2) the encumbrance shall be subject to any necessary approval of the Government and be expressly subordinated to the rights of the other Parties under this Agreement; and
 - (3) such Party shall ensure that any such mortgage, pledge, charge or encumbrance shall be expressed to be without prejudice to the provisions of this Agreement.
- (G) Any transfer by or on behalf of EO of all or a portion of its Participating Interest whether directly or indirectly by assignment, merger, consolidation, or sale of stock, or other conveyance, other than with or to an Affiliate, shall be subject to the following procedure:
 - (1) Once the transferor Party and a proposed transferee (a third party or a Party) have fully negotiated the final terms and conditions of a transfer, such final terms and conditions shall be disclosed in detail to all Parties in a notice from the transferor. Each Party shall have the right to acquire the Participating Interest from the transferor on the same terms and conditions agreed to by the proposed transferee if, within thirty (30) Days of transferor's notice, such Party delivers to all other Parties a counter-notification that it accepts the agreed upon terms and conditions of the transfer without reservations or conditions. If no Party delivers such counter-notification, the transfer to the proposed transferee may be made, subject to the other provisions of this Article XII, under terms and conditions no more favorable to the transferee than those set forth in the notice to the Parties, provided that the transfer shall be concluded within one hundred eighty (180) Days from the date of

the notice plus such reasonable additional period as may be required to secure governmental approvals.

- (2) If more than one Party counter-notifies that it intends to acquire the Participating Interest which is the subject of the proposed transfer, then each such Party shall acquire a proportion of the Participating Interest to be transferred equal to the ratio of its own Participating Interest to the total Participating Interests of all the counter-notifying Parties, unless they otherwise agree; and
- (3) In the event that a Party's proposed transfer of part or all of its Participating Interest involves consideration other than cash or involves other properties included in a wider transaction (package deal) then the Participating Interest (or part thereof) shall be allocated a reasonable and justifiable cash value by the transferor in any notification to the other Parties. Such other Parties may satisfy the requirements of this Article 12.1(G) by agreeing to pay such cash value in lieu of the consideration payable in the third-party offer.

12.2 Rights

Each Party shall have the right, subject to the provisions of Article 12.1, to freely transfer its Participating Interest.

ARTICLE XIII- WITHDRAWAL FROM AGREEMENT

13.1 Right of Withdrawal

- (A) Subject to the provisions of this Article XIII, any Party may withdraw from this Agreement and the Contract by giving notice to all other Parties stating its decision to withdraw. Such notice shall be unconditional and irrevocable when given, except as may be provided in Article 13.7.
- (B) The effective date of withdrawal for a withdrawing Party shall be the end of the calendar month following the calendar month in which the notice of withdrawal is given, provided that if all Parties elect to withdraw, the effective date of withdrawal for each Party shall be the date determined by Article 13.9.

13.2 Partial or Complete Withdrawal

- (A) Within thirty (30) Days of receipt of each withdrawing Party's notification, each of the other Parties may also give notice that it desires to withdraw from this Agreement and the Contract. Should all Parties give notice of withdrawal, the Parties shall proceed to abandon the Contract Area and terminate the Contract and this Agreement. If less than all of the Parties give such notice of withdrawal, then the withdrawing Parties shall take all steps to withdraw from the Contract and this Agreement on the earliest possible date and execute and deliver all necessary instruments and documents to assign their Participating Interest to the Parties which are not withdrawing, without any compensation whatsoever, in accordance with the provisions of Article 13.6.
- (B) Any Party withdrawing under Article 11.2 or under this Article XIII shall withdraw from the entirety of the Contract Area, including all Exploitation Areas and all Discoveries made prior to such withdrawal, and thus abandon to the other Parties not joining in its withdrawal all its rights to Cost Oil and Profit Oil generated by

operations after the effective date of such withdrawal and all rights in associated Joint Property.

13.3 Rights of a Withdrawing Party

A withdrawing Party shall have the right to receive its Entitlement of Hydrocarbons produced through the effective date of its withdrawal. The withdrawing Party shall be entitled to receive all information to which such Party is otherwise entitled under this Agreement until the effective date of its withdrawal. After giving its notification of withdrawal, a Party shall not be entitled to vote on any matters coming before the Operating Committee, other than matters for which such Party has financial responsibility.

13.4 Obligations and Liabilities of a Withdrawing Party

- (A) A withdrawing Party shall, following its notification of withdrawal, remain liable only for its share of the following:
- (1) Costs of Joint Operations, and Exclusive Operations in which it has agreed to participate, that were approved by the Operating Committee or Consenting Parties as part of a Work Program and Budget or AFE prior to such Party's notification of withdrawal, regardless of when they are actually incurred;
 - (2) Any Minimum Work Obligations for the current period or phase of the Contract, and for any subsequent period or phase which has been approved pursuant to Article 11.2 and with respect to which such Party has failed to timely withdraw under Article 13.4(B);
 - (3) Emergency expenditures as described in Articles 4.2(B)(11) and 13.5;
 - (4) All other obligations and liabilities of the Parties or Consenting Parties, as applicable, with respect to acts or omissions under this Agreement prior to the effective date of such Party's withdrawal for which such Party would have been liable, had it not withdrawn from this Agreement; and
 - (5) In the case of a partially withdrawing Party, any costs and liabilities with respect to Exploitation Areas, Commercial Discoveries and Discoveries from which it has not withdrawn.

The obligations and liabilities for which a withdrawing Party remains liable shall specifically include its share of any costs of plugging and abandoning wells or portions of wells in which it participated (or was required to bear a share of the costs pursuant to Article 13.4(A)(1)), to the extent such costs of plugging and abandoning are payable by the Parties under the Contract. Any liens, charges and other encumbrances which the withdrawing Party placed on such Party's Participating Interest prior to its withdrawal shall be fully satisfied or released, at the withdrawing Party's expense, prior to its withdrawal. A Party's withdrawal shall not relieve it from liability to the non-withdrawing Parties with respect to any obligations or liabilities attributable to the withdrawing Party under this Article XIII merely because they are not identified or identifiable at the time of withdrawal.

- (B) Notwithstanding the foregoing, a Party shall not be liable for any operations or expenditures it voted against (other than operations and expenditures described in Article 13.4(A)(2) or 13.4(A)(3)) if it sends notification of its withdrawal within five (5) Days (or within twenty-four (24) hours if the drilling rig to be used in such operation is standing by on the Contract Area) of the Operating Committee vote approving such operation or expenditure. Likewise, a Party voting against voluntarily entering into or extending of an Exploration Period or Exploitation Period

or any phase of the Contract or voluntarily extending the Contract shall not be liable for the Minimum Work Obligations associated therewith provided that it sends notification of its withdrawal within thirty (30) Days of such vote pursuant to Article 11.2.

13.5 Emergency

If a well goes out of control or a fire, blow out, sabotage or other emergency occurs prior to the effective date of a Party's withdrawal, the withdrawing Party shall remain liable for its Participating Interest share of the costs of such emergency, regardless of when they are actually incurred.

13.6 Assignment

A withdrawing Party shall assign its Participating Interest free of cost to each of the non-withdrawing Parties in the proportion which each of their Participating Interests (prior to the withdrawal) bears to the total Participating Interests of all the non-withdrawing Parties (prior to the withdrawal), unless the non-withdrawing Parties agree otherwise. The expenses associated with the withdrawal and assignments shall be borne by the withdrawing Party.

13.7 Approvals

A withdrawing Party shall promptly join in such actions as may be necessary or desirable to obtain any Government approvals required in connection with the withdrawal and assignments. The non-withdrawing Parties shall use reasonable efforts to assist the withdrawing Party in obtaining such approvals. Any penalties or expenses incurred by the Parties in connection with such withdrawal shall be borne by the withdrawing Party. If the Government does not approve a Party's withdrawal and assignment to the other Parties, then the withdrawing Party shall at its option either (1) retract its notice of withdrawal by notice to the other Parties and remain a Party as if such notice of withdrawal had never been sent or (2) hold its Participating Interest in trust for the sole and exclusive benefit of the non-withdrawing Parties with the right to be reimbursed by the non-withdrawing Parties for any subsequent costs and liabilities incurred by it for which it would not have been liable, had it successfully withdrawn.

13.8 Security

- (A) A Party withdrawing from this Agreement and the Contract pursuant to this Article XIII shall provide Security satisfactory to the other Parties to satisfy any obligations or liabilities which were approved or accrued prior to notice of withdrawal, but which become due after its withdrawal, including, without limitation, Security to cover the costs of an abandonment, if applicable.
- (B) Failure to provide Security shall constitute default under this Agreement.
- (C) "Security" means a standby letter of credit issued by a bank or an on demand bond issued by a surety corporation, such bank or corporation having a credit rating indicating it has sufficient worth to pay its obligations in all reasonably foreseeable circumstances.

13.9 Withdrawal or Abandonment by all Parties

In the event all Parties decide to withdraw, the Parties agree that they shall be bound by the terms and conditions of this Agreement for so long as may be necessary to wind up the affairs of the Parties with the Government, to satisfy any requirements of applicable law and to facilitate the sale, disposition or abandonment of property or interests held by the Joint Account.

ARTICLE XIV – RELATIONSHIP OF PARTIES AND TAX

14.1 Relationship of Parties

The rights, duties, obligations and liabilities of the Parties under this Agreement shall be individual, not joint or collective. It is not the intention of the Parties to create, nor shall this Agreement be deemed or construed to create a mining or other partnership, joint venture or association or (except as explicitly provided in this Agreement) a trust. This Agreement shall not be deemed or construed to authorize any Party to act as an agent, servant or employee for any other Party for any purpose whatsoever except as explicitly set forth in this Agreement. In their relations with each other under this Agreement, the Parties shall not be considered fiduciaries except as expressly provided in this Agreement.

14.2 Tax

Each Party shall be responsible for reporting and discharging its own tax measured by the profit or income of the Party and the satisfaction of such Party's share of all contract obligations under the Contract and under this Agreement. Each Party shall protect, defend and indemnify each other Party from any and all loss, cost or liability arising from the indemnifying Party's failure to report and discharge such taxes or satisfy such obligations. The Parties intend that all income and all tax benefits (including, but not limited to, deductions, depreciation, credits and capitalization) with respect to the expenditures made by the Parties hereunder will be allocated by the Government tax authorities to the Parties based on the share of each tax item actually received or borne by each Party. If such allocation is not accomplished due to the application of the laws and regulations of the Government or other Government action, the Parties shall attempt to adopt mutually agreeable arrangements that will allow the Parties to achieve the financial results intended. Operator shall provide each Party, in a timely manner and at such Party's sole expense, with such information with respect to Joint Operations as such Party may reasonably request for preparation of its tax returns or responding to any audit or other tax proceeding.

14.3 United States Tax Election

- (A) If, for United States federal income tax purposes, this Agreement and the operations under this Agreement are regarded as a partnership (and if the Parties have not agreed to form a tax partnership), each "U.S. Party" (as defined below) elects to be excluded from the application of all of the provisions of Subchapter "K", Chapter 1, Subtitle "A" of the United States Internal Revenue Code of 1986, as amended (the "Code"), to the extent permitted and authorized by Section 761(a) of the Code and the regulations promulgated under the Code. Operator is authorized and directed to execute and file for each U.S. Party such evidence of this election as may be required by the Internal Revenue Service, including specifically, but not by way of limitation, all of the returns, statements, and the data required by United States Treasury Regulations Sections 1.761-2 and 1.6031(a)-1(b)(5), and shall provide a copy thereof to each U.S. Party. Should there be any requirement that any U.S. Party give further evidence of this election, each U.S. Party shall execute such documents and furnish such other evidence as may be required by the Internal Revenue Service or as may be necessary to evidence this election.
- (B) No Party shall give any notice or take any other action inconsistent with the election made above. If any income tax laws of any state or other political subdivision of the United States or any future income tax laws of the United States or any such political subdivision contains provisions similar to those in Subchapter "K", Chapter 1, Subtitle "A" of the Code, under which an election similar to that provided by Section 761(a) of the Code is permitted, each U.S. Party shall make such election as may be permitted or required by such laws. In making the foregoing election, each U.S. Party states that the income derived by it from operations under this Agreement

can be adequately determined without the computation of partnership taxable income.

- (C) For the purposes of this Article XIV, "U.S. Party" shall mean any Party which is subject to the income tax law of the United States in respect of operations under this Agreement.
- (D) No activity shall be conducted under this Agreement that would cause any Party that is not a U.S. Party to be deemed to be engaged in a trade or business within the United States under applicable tax laws and regulations.
- (E) A Party which is not a U.S. Party shall not be required to do any act or execute any instrument which might subject it to the taxation jurisdiction of the United States.

ARTICLE XV – CONFIDENTIAL INFORMATION

15.1 Confidential Information

- (A) Subject to the provisions of the Contract, the Parties agree that all information and data acquired or obtained by any Party in respect of Joint Operations shall be considered confidential and shall be kept confidential and not be disclosed during the term of the Contract to any person or entity not a Party to this Agreement, except:
 - (1) To an Affiliate, provided such Affiliate maintains confidentiality as provided in this Article XV;
 - (2) To a governmental agency or other entity when required by the Contract;
 - (3) To the extent such data and information is required to be furnished in compliance with any applicable laws or regulations, or pursuant to any legal proceedings or because of any order of any court binding upon a Party;
 - (4) To prospective or actual contractors, consultants and attorneys employed by any Party where disclosure of such data or information is essential to such contractor's, consultant's or attorney's work;
 - (5) To a bona fide prospective transferee of a Party's Participating Interest (including an entity with whom a Party or its Affiliates are conducting bona fide negotiations directed toward a merger, consolidation or the sale of a majority of its or an Affiliate's shares);
 - (6) To a bank or other financial institution to the extent appropriate to a Party arranging for funding;
 - (7) To the extent such data and information must be disclosed pursuant to any rules or requirements of any government or stock exchange having jurisdiction over such Party, or its Affiliates; provided that if any Party desires to disclose information in an annual or periodic report to its or its Affiliates' shareholders and to the public and such disclosure is not required pursuant to any rules or requirements of any government or stock exchange, then such Party shall comply with Article 20.3;
 - (8) To its respective employees for the purposes of Joint Operations, subject to each Party taking customary precautions to ensure such data and information is kept confidential;

(9) Any data or information which, through no fault of a Party, becomes a part of the public domain.

(B) Disclosure as pursuant to Article 15.1(A)(4), (5), and (6) shall not be made unless prior to such disclosure the disclosing Party has obtained a written undertaking from the recipient party to keep the data and information strictly confidential and not to use or disclose the data and information except for the express purpose for which disclosure is to be made.

15.2 Continuing Obligations

Any Party ceasing to own a Participating Interest during the term of this Agreement shall nonetheless remain bound by the obligations of confidentiality in Article 15.1 and any disputes shall be resolved in accordance with Article XVIII.

15.3 Proprietary Technology

Nothing in this Agreement shall require a Party to divulge proprietary technology to the other Parties; provided that where the cost of development of proprietary technology has been charged to the Joint Account, such proprietary technology shall be disclosed to all Parties bearing a portion of such cost and may be used by any such Party or its Affiliates in other operations.

15.4 Trades

Notwithstanding the foregoing provisions of this Article XV, Operator may, with approval of the Operating Committee, make well trades and data trades for the benefit of the Parties, with any data so obtained to be furnished to all Parties who participated in the cost of the data that was traded. Operator shall cause any third party to such trade to enter into an undertaking to keep the traded data confidential.

ARTICLE XVI – FORCE MAJEURE

16.1 Obligations

If as a result of Force Majeure any Party is rendered unable, wholly or in part, to carry out its obligations under this Agreement, other than the obligation to pay any amounts due or to furnish security, then the obligations of the Party giving such notice, so far as and to the extent that the obligations are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused and for such reasonable period thereafter as may be necessary for the Party to put itself in the same position that it occupied prior to the Force Majeure, but for no longer period. The Party claiming Force Majeure shall notify the other Parties of the Force Majeure within a reasonable time after the occurrence of the facts relied on and shall keep all Parties informed of all significant developments. Such notice shall give reasonably full particulars of the Force Majeure, and also estimate the period of time which the Party will probably require to remedy the Force Majeure. The affected Party shall use all reasonable diligence to remove or overcome the Force Majeure situation as quickly as possible in an economic manner, but shall not be obligated to settle any labor dispute except on terms acceptable to it and all such disputes shall be handled within the sole discretion of the affected Party.

16.2 Definition of Force Majeure

For the purposes of this Agreement, "Force Majeure" shall mean circumstances which were beyond the reasonable control of the Party concerned and shall include strikes, lockouts and

other industrial disturbances even if they were not "beyond the reasonable control" of the Party.

ARTICLE XVII – NOTICES

Except as otherwise specifically provided, 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 any electronic means of transmitting written communications which provides written confirmation of complete transmission, and addressed to such Parties as designated below. Oral communication does not constitute notice for purposes of this Agreement, and telephone numbers for the Parties are listed below as a matter of convenience only. The originating 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. The second or any responsive notice shall be deemed delivered when received. "Received" for purposes of this Article XVII shall mean actual delivery of the notice to the address of the Party to be notified specified in accordance with this Article XVII. 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 at another address, by giving written notice thereof to all other Parties.

Kosmos:	BO:
Kosmos Energy, LLC	The E.O. Group
8401 N. Central Expressway	Private Mailbag CT 123
Suite 280	Cantonments - Accra
Dallas, Texas 75225	Ghana
U.S.A.	
Attention: Mr Craig Glick	Attention: Mr George Y. Owusu
Facsimile: +1 214 363 9024	Facsimile: 001 281 470 9300
Telephone: +1 214 363 0700	Telephone: 001 281 470 1784 (res)
	001 832 489 8100 (mobile)

ARTICLE XVIII – APPLICABLE LAW AND DISPUTE RESOLUTION

18.1 Applicable Law

This Agreement shall be governed by, construed, interpreted and applied in accordance with the laws of England and Wales, excluding any choice of law rules which would refer the matter to the laws of another jurisdiction.

18.2 Dispute Resolution

(A) Any dispute, controversy or claim arising out of or in relation to or in connection with this Agreement or the operations carried out under this Agreement, including without limitation any dispute as to the construction, validity, interpretation, enforceability or breach of this Agreement, shall be exclusively and finally settled by

arbitration in accordance with this Article 18.2. Any Party may submit such a dispute, controversy or claim to arbitration by notice to the other Parties.

- (B) The arbitration shall be heard and determined by three (3) arbitrators. Each side shall appoint an arbitrator of its choice within sixty (60) Days of the submission of a notice of arbitration. The Party-appointed arbitrators shall in turn appoint a presiding arbitrator of the tribunal within sixty (60) Days following the appointment of both Party-appointed arbitrators. If the Party-appointed arbitrators cannot reach agreement on a presiding arbitrator of the tribunal and/or one Party refuses to appoint its Party-appointed arbitrator within said sixty (60) Day period, the appointing authority for the implementation of such procedure shall be the London Court of International Arbitration ("LCIA"), who shall appoint an independent arbitrator who does not have any financial interest in the dispute, controversy or claim. All decisions and awards by the arbitration tribunal shall be made by majority vote.
- (A) Unless otherwise expressly agreed in writing by the Parties to the arbitration proceedings:
- (1) The arbitration proceedings shall be held in London, England;
 - (2) The arbitration proceedings shall be conducted in the English language and the arbitrator(s) shall be fluent in the English language;
 - (3) The arbitrator(s) shall be and remain at all times wholly independent and impartial;
 - (4) The arbitration proceedings shall be conducted in accordance with the Rules of Arbitration of the LCIA, except as specifically modified in this Agreement, as such rules may be amended from time to time;
 - (5) The costs of the arbitration proceedings (including attorneys' fees and costs) shall be borne in the manner determined by the arbitrator(s);
 - (6) The decision of the sole arbitrator or a majority of the arbitrators, as the case may be, shall be reduced to writing; final and binding without the right of appeal; the sole and exclusive remedy regarding any claims, counterclaims, issues or accountings presented to the arbitrator; made and promptly paid in U.S. dollars free of any deduction or offset; and any costs or fees incident to enforcing the award, shall to the maximum extent permitted by law be charged against the Party resisting such enforcement;
 - (7) Consequential, punitive or other similar damages shall not be allowed except those payable to third parties for which liability is allocated among the Parties by the arbitral award;
 - (8) The award shall include interest from the date of any breach or violation of this Agreement, as determined by the arbitral award, and from the date of the award until paid in full, at the Agreed Interest Rate; and
 - (9) Judgment upon the award may be entered in any court having jurisdiction over the person or the assets of the Party owing the judgment or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be.
 - (10) Whenever the Parties are of more than one nationality, the single arbitrator or the presiding arbitrator, as the case may be, shall not be of the same nationality as any of the Parties or their ultimate parent entities.

- (11) For purposes of allowing the arbitration provided in this Article XVIII, the enforcement and execution of any arbitration decision and award, and the issuance of any attachment or other interim remedy, any governmental body or agency, including if applicable GNPC, which becomes a Party to this Agreement agrees to waive all sovereign immunity by whatever name or title with respect to disputes, controversies or claims arising out of or in relation to or in connection with this Agreement or the operations carried out under this Agreement.
- (12) The arbitration shall proceed in the absence of a Party who, after due notice, fails to answer or appear. An award shall not be made solely on the default of a Party, but the arbitrator(s) shall require the Party who is present to submit such evidence as the arbitrator(s) may determine is reasonably required to make an award.
- (13) If an arbitrator should die, withdraw or otherwise become incapable of serving, or refuse to serve, a successor arbitrator shall be selected and appointed in the same manner as the original arbitrator.

ARTICLE XIX – ALLOCATION OF COST RECOVERY RIGHTS

19.1 Allocation of Total Production

Each Party's share of Cost Oil and Profit Oil during each Calendar Quarter shall be determined pursuant to this Article XIX.

19.2 Allocation of Cost Oil

- (A) Cost Oil available to the Parties from the Contract Area during the Calendar Quarter shall be allocated among Exploitation Areas separately by type and grade. The quantity of each type and grade of Cost Oil allocated to an Exploitation Area shall, subject to the remainder of this Article 19.2, equal the total quantity of Cost Oil of that type and grade available during the Calendar Quarter multiplied by a fraction, the numerator of which is the quantity of Hydrocarbons of that type and grade produced from that Exploitation Area during the Calendar Quarter and the denominator of which is the quantity of Hydrocarbons of that type and grade produced from the entire Contract Area during the Calendar Quarter.
- (B) Subject to the Contract, a quantity of Cost Oil initially allocated to an Exploitation Area pursuant to Article 19.2(A) shall be reallocated pursuant to Article 19.2(C) ("Reallocation Cost Oil") if the value of the Cost Oil allocated to that Exploitation Area exceeds the Petroleum Costs specifically attributable to that Exploitation Area which have not previously been recovered through allocations of Cost Oil under this Article 19.2. The quantity of each type and grade of Cost Oil to be reallocated shall be determined by multiplying the quantity of Cost Oil of that type and grade allocated to the Exploitation Area under Article 19.2(A) by a fraction, the numerator of which is the aggregate value of all Cost Oil allocated to the Exploitation Area during the Calendar Quarter minus total previously unrecovered Petroleum Costs attributable to the Exploitation Area, and the denominator of which is the aggregate value of all Cost Oil allocated to the Exploitation Area during the Calendar Quarter. The value of each type and grade of Cost Oil, for purposes of this Article XIX, shall be the value of that type and grade of Hydrocarbon for cost recovery purposes under the Contract.

- (C) Reallocation Cost Oil shall be allocated, in pro rata shares by type and grade, in the following priority:
- (1) First, Reallocation Cost Oil shall be allocated to each Exploitation Area until the value allocated under this Article 19.2(C)(1) equals the difference between the value of Profit Oil to which that Exploitation Area would have been entitled during such Calendar Quarter if the Contract applied separately to each Exploitation Area and the value of Profit Oil actually received by that Exploitation Area under Article 19.3;
 - (2) Second, any Reallocation Cost Oil that is not allocated pursuant to Article 19.2(C)(1) shall be allocated to Joint Operations to the extent necessary to permit the recovery of any Petroleum Costs which were incurred in the conduct of Joint Operations and which are recoverable in such Calendar Quarter but have not yet been recovered pursuant to this Article 19.2; and
 - (3) Third, any Reallocation Cost Oil that is not allocated pursuant to Article 19.2(C)(1) or 19.2(C)(2) shall be allocated to Exclusive Operations to the extent necessary to permit the recovery, in the sequence incurred (regardless of the operation to which they relate), of any Petroleum Costs which were incurred in the conduct of Exclusive Operations and which are recoverable in such Calendar Quarter but have not yet been recovered pursuant to this Article 19.2.
- (D) Subject to Article 10.1(E), Cost Oil of each type and grade that is allocated to an Exploitation Area or an operation shall be allocated among the Parties in proportion to their respective Participating Interests in the Exploitation Area or operation.

19.3 Allocation of Profit Oil

Profit Oil available to the Parties from the Contract Area during the Calendar Quarter shall be allocated among Exploitation Areas separately by type and grade. The quantity of each type and grade of Profit Oil allocated to an Exploitation Area shall equal the total quantity of Profit Oil of that type and grade available during the Calendar Quarter multiplied by a fraction, the numerator of which is the quantity of Hydrocarbons of that type and grade produced from that Exploitation Area during the Calendar Quarter and the denominator of which is the quantity of Hydrocarbons of that type and grade produced from the entire Contract Area during the Calendar Quarter. Subject to Article 10.1(E), Profit Oil of each type and grade that is allocated to an Exploitation Area shall be allocated among the Parties in proportion to their respective Participating Interests in the Exploitation Area.

19.4 Use of Estimates

Initial distribution of Hydrocarbons pursuant to this Article XIX shall be based upon estimates furnished by the Operator pursuant to Article 9.2.

ARTICLE XX- GENERAL PROVISIONS

20.1 Warranties as to no Payments, Gifts and Loans

- (A) Each Party warrants that it and its Affiliates have not made, offered, or authorized and will not make, offer, or authorize with respect to the matters which are the subject of this Agreement, any payment, gift, promise or other advantage, whether directly or through any other person or entity, to or for the use or benefit of any public official (i.e., any person holding a legislative, administrative or judicial office,

including any person employed by or acting on behalf of a public agency, a public enterprise or a public international organization) or any political party or political party official or candidate for office, where such payment, gift, promise or advantage would violate (i) the applicable laws of Ghana; (ii) the laws of the country of incorporation of such Party or such Party's ultimate parent company and of the principal place of business of such ultimate parent company; or (iii) 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. Each Party shall defend, indemnify and hold the other Parties harmless from and against any and all claims, damages, losses, penalties, costs and expenses arising from or related to, any breach by such first Party of such warranty. Such indemnity obligation shall survive termination or expiration of this Agreement. Each Party shall in good time (i) respond in reasonable detail to any notice from any other Party reasonably connected with the above-stated warranty; and (ii) furnish applicable documentary support for such response upon request from such other Party.

- (B) Each Party agrees to (i) maintain adequate internal controls; (ii) properly record and report all transactions; and (iii) comply with the laws applicable to it. Each Party must rely on the other Parties' system of internal controls, and on the adequacy of full disclosure of the facts, and of financial and other data regarding the Joint Operations undertaken under this Agreement. 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 and reporting of assets, liabilities or any other transaction, or which would put such Party in violation of its obligations under the laws applicable to the operations under this Agreement.

20.2 Conflicts of Interest

- (A) Operator undertakes that it shall avoid any conflict of interest between its own interests (including the interests of Affiliates) and the interests of the other Parties in dealing with suppliers, customers and all other organizations or individuals doing or seeking to do business with the Parties in connection with activities contemplated under this Agreement.
- (B) The provisions of the preceding paragraph shall not apply to:
- (1) Operator's performance which is in accordance with the local preference laws or policies of the Government; or
 - (2) Operator's acquisition of products or services from an Affiliate, or the sale thereof to an Affiliate, made in accordance with the terms of this Agreement.

20.3 Public Announcements

- (A) Operator shall be responsible for the preparation and release of all public announcements and statements regarding this Agreement or the Joint Operations; provided that, no public announcement or statement shall be issued or made unless prior to its release all the Parties have been furnished with a copy of such statement or announcement and the approval of at least two (2) non-affiliated Parties holding fifty percent (50%), or more, of the Participating Interests has been obtained. Where a public announcement or statement becomes necessary or desirable because of danger to or loss of life, damage to property or pollution as a result of activities arising under this Agreement, Operator is authorized to issue and make such announcement or statement without prior approval of the Parties, but shall promptly furnish all the Parties with a copy of such announcement or statement.

- (B) If a Party wishes to issue or make any public announcement or statement regarding this Agreement or the Joint Operations, it shall not do so unless prior to its release, such Party furnishes all the Parties with a copy of such announcement or statement, and obtains the approval of at least two (2) Parties which are not Affiliates holding fifty percent (50%) or more of the Participating Interests; provided that, notwithstanding any failure to obtain such approval, no Party shall be prohibited from issuing or making any such public announcement or statement if it is necessary to do so in order to comply with the applicable laws, rules or regulations of any government, legal proceedings or stock exchange having jurisdiction over such Party or its Affiliates as set forth in Articles 15.1(A)(3) and (7).

20.4 Successors and Assigns

Subject to the limitations on transfer contained in Article XII, this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties.

20.5 Waiver

No waiver by any Party of any one or more defaults by another Party in the performance of this Agreement shall operate or be construed as a waiver of any future default or defaults by the same Party, whether of a like or of a different character. Except as 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.

20.6 Severance of Invalid Provisions

If and for so long as any provision of this Agreement shall be deemed to be judged invalid for any reason whatsoever, such invalidity shall not affect the validity or operation of any other provision of this Agreement except only so far as shall be necessary to give effect to the construction of such invalidity, and any such invalid provision shall be deemed severed from this Agreement without affecting the validity of the balance of this Agreement.

20.7 Modifications

Except as is provided in Articles 11.2(B) and 20.6, there shall be no modification of this Agreement or the Contract except by written consent of all Parties.

20.8 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.

20.9 Singular and Plural

Reference to the singular includes a reference to the plural and vice versa.

20.10 Gender

Reference to any gender includes a reference to all other genders.

20.11 Counterpart Execution

This Agreement may be executed in any number of original counterparts and each such counterpart shall be deemed an original Agreement for all purposes; provided no Party shall be bound to this Agreement unless and until all Parties have executed a counterpart. For

purposes of assembling all counterparts into one document, Operator is authorized to detach the signature page from one or more counterparts and, after signature thereof by the respective Party, attach each signed signature page to a counterpart.

20.12 Entirety

This Agreement is the entire agreement of the Parties with respect to the subject matter contained herein and supersedes all prior understandings and negotiations of the Parties.

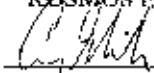
20.13 Rights of Third Parties

Without prejudice to the rights of any Indemnitee pursuant to Article 4.6, no person other than the Parties shall have any rights under this Agreement or be considered a third party beneficiary hereof and no person shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

IN WITNESS of their agreement each Party has caused its duly authorized representative to sign this instrument on the date indicated below such representative's signature.

KOSMOS ENERGY GHANA HC

By:



CHARLES CLARK

(Print or type name)

Title:

VICE PRESIDENT

Date:

JULY 22, 2004

THE E.O. GROUP

By:



GEORGE A. OWUSU

(Print or type name)

Title:

MANAGING PARTNER

Date:

JULY 27, 2004

**EXHIBIT A
ACCOUNTING PROCEDURES**

EXHIBIT "A"
ACCOUNTING PROCEDURE
TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
SECTION I. GENERAL PROVISIONS.....	1
1.1 Purpose.....	1
1.2 Conflict with Agreement.....	1
1.3 Definitions.....	1
1.4 Joint Account Records and Currency Exchange.....	2
1.5 Statements and Billings.....	3
1.6 Payments and Advances.....	3
1.7 Adjustments.....	5
1.8 Audits.....	6
1.9 Allocations.....	7
 SECTION II. DIRECT CHARGES	 8
2.1 Licenses, Permits, Etc.....	8
2.2 Salaries, Wages and Related Costs.....	8
2.3 Employee Relocation Costs.....	9
2.4 Offices, Camps, and Miscellaneous Facilities.....	9
2.5 Material.....	10
2.6 Exclusively Owned Equipment and Facilities of Operator and Affiliates.....	10
2.7 Services.....	10
2.8 Insurance.....	11
2.9 Damages and Losses to Property.....	12
2.10 Litigation and Legal Expenses.....	12
2.11 Taxes and Duties.....	12
2.12 Ecological and Environmental.....	13
2.13 Decommissioning (Abandonment) and Reclamation.....	13
2.14 Other Expenditures.....	13
 SECTION III. INDIRECT CHARGES	 14
3.1 Purpose.....	14
3.2 Amount.....	14
3.3 Exclusions.....	20
 SECTION IV. ACQUISITION OF MATERIAL.....	 16
4.1 Acquisitions.....	16
4.2 Materials Furnished by Operator.....	16
4.3 Premium Prices.....	17
4.4 Warranty of Material Furnished by Operator.....	17

<u>SECTION</u>	<u>PAGE</u>
SECTION V. DISPOSAL OF MATERIALS	18
5.1 Disposal.....	18
5.2 Material Purchased by a Party or Affiliate.....	18
5.3 Division In Kind.....	18
5.4 Sales to Third Parties.	18
 SECTION VI. INVENTORIES.....	 19
6.1 Periodic Inventories - Notice and Representation.....	19
6.2 Special Inventories.	19

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40

EXHIBIT "A"

ACCOUNTING PROCEDURE

Attached to and made part of the Operating Agreement, hereinafter called the "Agreement," effective as of the 21st day of July, 2004, by and between Kosmos Energy Ghana HC and the E.O. Group.

**SECTION I.
GENERAL PROVISIONS**

1.1 Purpose.

1.1.1 The purpose of this Accounting Procedure is to establish equitable methods for determining charges and credits applicable to operations under the Agreement which reflect the costs of Joint Operations to the end that no Party shall gain or lose in relation to other Parties.

1.1.2 The Parties agree, however, that if the methods prove unfair or inequitable to Operator or Non-Operators, the Parties shall meet and in good faith endeavor to agree on changes in methods deemed necessary to correct any unfairness or inequity.

1.2 Conflict with Agreement.

In the event of a conflict between the provisions of this Accounting Procedure and the provisions of the Agreement to which this Accounting Procedure is attached, the provisions of the Agreement shall prevail.

1.3 Definitions.

The definitions contained in Article I of the Agreement to which this Accounting Procedure is attached shall apply to this Accounting Procedure and have the same meanings when used herein. Certain terms used herein are defined as follows:

"Accrual basis" means that basis of accounting under which costs and benefits are regarded as applicable to the period in which the liability for the cost is incurred or the right to the benefit arises, regardless of when invoiced, paid, or received.

"Cash basis" means that basis of accounting under which only costs actually paid and revenue actually received are included for any period.

"Country of Operations" means the Republic of Ghana.

"Material" means machinery, equipment and supplies acquired and held for use in Joint Operations.

1 "Secondees" means technical and professional personnel employed by a Non-Operator
2 or its Affiliate(s) who, with Operator's approval, are loaned to Operator to perform services
3 for, and under the direction and control of, Operator under a secondment agreement.

4 **1.4 Joint Account Records and Currency Exchange.**

5 1.4.1 Operator shall at all times maintain and keep true and correct records of the
6 production and disposition of all liquid and gaseous Hydrocarbons, and of all
7 costs and expenditures under the Agreement, as well as other data necessary
8 or proper for the settlement of accounts between the Parties hereto in
9 connection with their rights and obligations under the Agreement and to enable
10 Parties to comply with their respective applicable income tax and other laws.

11 1.4.2 Operator shall maintain accounting records pertaining to Joint Operations in
12 accordance with generally accepted accounting practices used in the
13 international petroleum industry and any applicable statutory obligations of the
14 Country of Operations as well as the provisions of the Contract and the
15 Agreement.

16 1.4.3 The Joint Account shall be maintained by Operator in the English language and
17 in United States of America ("U.S.") currency and in such other language and
18 currency as may be required by the laws of the Country of Operations or the
19 Contract. Conversions of currency shall be recorded at the rate actually
20 experienced in that conversion. Currency translations for expenditures and
21 receipts shall be recorded at the

22 arithmetic average of the buying and selling exchange rates at the close
23 of business on the first Business Day of the month of the current
24 accounting period

25 as published by The Wall Street Journal, or if not published by The Wall Street
26 Journal, then by The Financial Times.

27 1.4.4 Any currency exchange gains or losses shall be credited or charged to the
28 Joint Account, except as otherwise specified in this Accounting Procedure.

29 1.4.5 This Accounting Procedure shall apply, *mutatis mutandis*, to Exclusive
30 Operations in the same manner that it applies to Joint Operations; provided,
31 however, that the charges and credits applicable to Consenting Parties shall be
32 distinguished by an Exclusive Operation Account. For the purpose of
33 determining and calculating the remuneration of the Consenting Parties,
34 including the premiums for Exclusive Operations, the costs and expenditures
35 shall be expressed in U.S. currency (irrespective of the currency in which the
36 expenditure was incurred).
37

38 1.4.6 The accrual basis for accounting shall be used in preparing accounts
39 concerning the Joint Operations. If a "cash" basis for accounting is used,
40 Operator shall show accruals as memorandum items.
41
42

1 **1.5 Statements and Billings.**

2
3 **1.5.1** Unless otherwise agreed by the Parties, Operator shall submit monthly to each
4 Party, on or before the 15th Day of each month, statements of the costs and
5 expenditures incurred during the prior month, indicating by appropriate
6 classification the nature thereof, the corresponding budget category, and the
7 portion of such costs charged to each of the Parties.
8

9 These statements, as a minimum, shall contain the following information:

- 10 - advances of funds setting forth the currencies received from each Party,
- 11
- 12 - the share of each Party in total expenditures,
- 13
- 14 - the accrued expenditures,
- 15
- 16 - the current account balance of each Party,
- 17
- 18 - summary of costs, credits, and expenditures on a current month, year-to-
- 19 - date, and inception-to-date basis or other periodic basis, as agreed by
- 20 - Parties (such expenditures shall be grouped by the categories and line
- 21 - items designated in the approved Work Program and Budget submitted
- 22 - by Operator in accordance with Article 6.4 of the Agreement so as to
- 23 - facilitate comparison of actual expenditures against that work Program
- 24 - and Budget), and
- 25 - details of unusual charges and credits in excess of U.S. dollars U.S.
- 26 - \$500,000.
- 27
- 28
- 29

30 **1.5.2** Operator shall, upon request, furnish a description of the accounting
31 classifications used by it.
32

33 **1.5.3** Amounts included in the statements and billings shall be expressed in U.S.
34 currency and reconciled to the currencies advanced.
35

36 **1.5.4** Each Party shall be responsible for preparing its own accounting and tax
37 reports to meet the requirements of the Country of Operations and of all other
38 countries to which it may be subject. Operator, to the extent that the
39 information is reasonably available from the Joint Account records, shall
40 provide Non-Operators in a timely manner with the necessary information to
41 facilitate the discharge of such responsibility.
42

43 **1.6 Payments and Advances.**

44
45 **1.6.1** Upon approval of any Work Program and Budget, if Operator so requests, each
46 Non-Operator shall advance its share of estimated cash requirements for the
47 succeeding month's operations. Each such cash call shall be equal to the
48 Operator's estimate of the money to be spent in the currencies required to
49 perform its duties under the approved Work Program and Budget during the

1 month concerned. For informational purposes the cash call shall contain an
2 estimate of the funds required for the succeeding two (2) months detailed by
3 the categories designated in the approved Work Program and Budget
4 submitted by Operator in accordance with Article 6 of the Agreement.

5
6 **1.6.2** Each such cash call, detailed by the categories designated in the approved
7 Work Program and Budget submitted by Operator in accordance with Article 6
8 of the Agreement shall be made in writing and delivered to all Non-Operators
9 not less than fifteen (15) Days before the payment due date. The due date for
10 payment of such advances shall be set by Operator but shall be no sooner than
11 the first Business Day of the month for which the advances are required. All
12 advances shall be made without bank charges. Any charges related to receipt
13 of advances from a Non-Operator shall be borne by that Non-Operator.

14
15 **1.6.3** Each Non-Operator shall wire transfer its share of the full amount of each such
16 cash call to Operator on or before the due date, in the currencies requested or
17 any other currencies acceptable to Operator and at a bank designated by
18 Operator. If currency provided by a Non-Operator is other than the requested
19 currency, then the entire cost of converting to the requested currency shall be
20 charged to that Non-Operator.

21
22 **1.6.4** Notwithstanding the provisions of Section 1.6.2, should Operator be required to
23 pay any sums of money for the Joint Operations which were unforeseen at the
24 time of providing the Non-Operators with said estimates of its requirements,
25 Operator may make a written request of the Non-Operators for special
26 advances covering the Non-Operators' share of such payments. Each such
27 Non-Operator shall make its proportional special advances within ten (10) Days
28 after receipt of such notice.

29
30
31 **1.6.5** If a Non-Operator's advances exceed its share of cash expenditures, the next
32 succeeding cash advance requirements, after such determination, shall be
33 reduced accordingly. However, if the amount of such excess advance is
34 greater than the amount of the next month's estimated cash requirements for
35 such Non-Operator, the Non-Operator may request a refund of the difference,
36 which refund shall be made by Operator within ten (10) Days after receipt of
37 the Non-Operator's request provided that the amount is in excess of U.S. \$
38 500,000.

39
40
41 **1.6.6** If Non-Operator's advances are less than its share of cash expenditures, the
42 deficiency shall, at Operator's option, be added to subsequent cash advance
43 requirements or be paid by Non-Operator within ten (10) Days following the
44 receipt of Operator's billing to Non-Operator for such deficiency.

45
46 **1.6.7** If, under the provisions of the Agreement, Operator is required to segregate
47 funds received from the Parties, any interest received on such funds shall be
48 applied against the next succeeding cash call or, if directed by the Operating
49 Committee, distributed quarterly. The interest thus received shall be allocated
50 to the Parties on an equitable basis taking into consideration date of funding by
51 each Party to the accounts in proportion to the total funding into the account. A

1 monthly statement summarizing receipts, disbursements, transfers to each joint
2 bank account and beginning and ending balances thereof shall be provided by
3 Operator to the Parties.
4

5 Any interest received by Operator from interest-bearing accounts containing
6 commingled funds received from the Parties shall be credited to the Parties in
7 accordance with the allocation procedure as set forth above.
8

9 **1.6.8** If Operator does not request Non-Operators to advance their share of
10 estimated cash requirements, each Non-Operator shall pay its share of cash
11 expenditures within ten (10) Days following receipt of Operator's billing.
12

13 **1.6.9** Payments of advances or billings shall be made on or before the due date. In
14 accordance with Article VII of the Agreement, if these payments are not
15 received by the due date the unpaid balance shall bear and accrue interest
16 from the due date until the payment is received by Operator at the Agreed
17 Interest Rate. For the purpose of determining the unpaid balance and Interest
18 owed, Operator shall translate to U.S. currency all amounts owed in other
19 currencies using the currency exchange rate readily available to Operator at
20 the close of the last Business Day prior to the due date for the unpaid balance
21 as quoted by the applicable authority identified in Section 1.4.3 of this Section I.
22

23 **1.6.10** Subject to governmental regulation, Operator shall have the right, at any time
24 and from time to time, to convert the funds advanced or any part thereof to
25 other currencies to the extent that such currencies are then required for
26 operations. The cost of any such conversion shall be charged to the Joint
27 Account.
28

29 **1.6.11** Operator shall endeavor to maintain funds held for the Joint Account in bank
30 accounts at a level consistent with that required for the prudent conduct of Joint
31 Operations.
32

33 **1.6.12** If under the Agreement, Operator is required to segregate funds received from
34 or for the Joint Account, the provisions under this Section 1.6 for payments and
35 advances by Non-Operators shall apply also to Operator.
36

37 **1.7 Adjustments.**

38 Payments of any advances or billings shall not prejudice the right of any Non-Operator to
39 protest or question the correctness thereof; provided, however, all bills and statements
40 rendered to Non-Operators by Operator during any Calendar Year shall conclusively be
41 presumed to be true and correct after twenty-four (24) months following the end of such
42 Calendar Year, unless within the said twenty-four (24) month period a Non-Operator
43 takes written exception thereto and makes claim on Operator for adjustment. Failure on
44 the part of a Non-Operator to make claim on Operator for adjustment within such period
45 shall establish the correctness thereof and preclude the filing of exceptions thereto or
46 making claims for adjustment thereon. No adjustment favorable to Operator shall be
47 made unless it is made within the same prescribed period. The provisions of this
48 paragraph shall not prevent adjustments resulting from a physical inventory of the
49 Material as provided for in Section VI. Operator shall be allowed to make adjustments to
50

1 the Joint Account after such twenty-four (24) month period if these adjustments result
2 from audit exceptions outside of this Agreement, third party claims, or Government or
3 Government Oil Company requirements. Any such adjustments shall be subject to audit
4 within the time period specified in Section 1.8.1.
5

6 **1.8 Audits.**

7
8 **1.8.1** A Non-Operator, upon at least sixty (60) Days advance notice in writing to
9 Operator and all other Non-Operators, shall have the right to audit the Joint
10 Accounts and records of Operator relating to the accounting hereunder for any
11 Calendar Year within the twenty-four (24) month period following the end of
12 such Calendar Year except as otherwise provided in Section 3.1. As provided
13 in Article 4.2(B)(6) of the Agreement, Non-Operators shall have reasonable
14 access to Operator's personnel and to the facilities, warehouses, and offices
15 directly or indirectly serving Joint Operations. The cost of each such audit shall
16 be borne by Non-Operators conducting the audit. Where there are two or more
17 Non-Operators, the Non-Operators shall make every reasonable effort to
18 conduct joint or simultaneous audits in a manner that will result in a minimum of
19 inconvenience to the Operator. Non-Operators must take written exception to
20 and make claim upon the Operator for all discrepancies disclosed by said audit
21 within said twenty-four (24) month period.
22

23 **1.8.2** Operator shall endeavor to produce information from its Affiliates reasonably
24 necessary to support charges from those Affiliates to the Joint Account other
25 than those charges referred to in Section 3.1. If an Affiliate considers such
26 information confidential or proprietary or if such Affiliate will not allow the Non-
27 Operators to audit its accounts, the statutory auditor of the Affiliate shall be
28 used to confirm the details and facts as required, provided such statutory
29 auditor is an internationally recognized firm of public accountants. The auditing
30 Non-Operator may instruct the statutory auditor on the scope of such
31 confirmation; however, the scope shall be subject to the approval of the Affiliate
32 in question, such approval not to be unreasonably withheld. Should the
33 statutory auditor of the Affiliate decline to act in such capacity, or not be an
34 internationally recognized independent firm of public accountants, the auditing
35 Non-Operators shall select an internationally recognized independent firm of
36 public accountants to carry out such confirmation, subject to the approval of the
37 Affiliate in question, such approval not to be unreasonably withheld. The cost
38 of such audit by the statutory auditor or the independent firm of public
39 accountants, as the case may be, shall be borne by Non-Operators who
40 requested such audit.
41
42

43 **1.8.3** Any information obtained by a Non-Operator under the provisions of this
44 Section 1.8 which does not relate directly to the Joint Operations shall be kept
45 confidential and shall not be disclosed to any party, except as would otherwise
46 be permitted by Article 15.1(A)(3) and (9) of the Agreement.
47

48 **1.8.4** In the event that the Operator is required by law or the Contract to employ a
49 public accounting firm to audit the Joint Account and records of Operator

1 relating to the accounting hereunder, the cost thereof shall be a charge against
2 the Joint Account, and a copy of the audit shall be furnished to each Party.
3

4 **1.8.5** At the conclusion of each audit, the Parties shall endeavor to settle outstanding
5 matters expeditiously. To this end the Parties conducting the audit will make a
6 reasonable effort to prepare and distribute a written report to the Operator and
7 all the Parties who participated in the audit as soon as possible and in any
8 event within ninety (90) Days after the conclusion of each audit. The report
9 shall include all claims arising from such audit together with comments
10 pertinent to the operation of the accounts and records. Operator shall make a
11 reasonable effort to reply to the report in writing as soon as possible and in any
12 event no later than ninety (90) Days after receipt of the report. Should the Non-
13 Operators consider that the report or reply requires further investigation of any
14 item therein, the Non-Operators shall have the right to conduct further
15 investigation in relation to such matter notwithstanding the provisions of
16 Sections 1.7 and 1.8.1 that the period of twenty-four (24) months may have
17 expired. However, conducting such further investigation shall not extend the
18 twenty-four (24) month period for taking written exception to and making a
19 claim upon the Operator for all discrepancies disclosed by said audit. Such
20 further investigations shall be commenced within thirty (30) Days and be
21 concluded within sixty (60) Days after the receipt of such report or reply, as the
22 case may be.
23

24 **1.8.6** All adjustments resulting from an audit agreed between the Operator and the
25 Non-Operator conducting the audit shall be reflected promptly in the Joint
26 Account by the Operator and reported to the Non-Operator(s). If any dispute
27 shall arise in connection with an audit, it shall be reported to and discussed by
28 the Operating Committee, and, unless otherwise agreed by the parties to the
29 dispute, resolved in accordance with the provisions of Article XVIII of the
30 Agreement. If all the parties to the dispute so agree, the adjustment(s) may be
31 referred to an independent expert agreed to by the parties to the dispute. At
32 the election of the parties to the dispute, the decision of the expert will be
33 binding upon such parties. Unless otherwise agreed, the cost of such expert
34 will be shared equally by all parties to the dispute.
35

36 **1.9 Allocations.**

37
38 If it becomes necessary to allocate any costs or expenditures to or between Joint
39 Operations and any other operations, such allocation shall be made on an equitable
40 basis. For informational purposes only, Operator shall furnish a description of its
41 allocation procedures pertaining to these costs and expenditures and its rates for
42 personnel and other charges, along with each proposed Work Program and Budget.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17

SECTION II
DIRECT CHARGES

Operator shall charge the Joint Account with all costs and expenditures incurred in connection with Joint Operations. It is also understood that charges for services normally provided by an operator such as those contemplated in Sections 2.7.2 and 2.7.3 which are provided by a Party's Affiliate shall reflect the cost to the Affiliate, excluding profit, for performing such services, except as otherwise provided in Section 2.6, Section 2.7.1, and Section 2.5.1 if selected.

The costs and expenditures shall be recorded as required for the settlement of accounts between the Parties hereto in connection with the rights and obligations under this Agreement and for purposes of complying with the tax laws of the Country of Operations and of such other countries to which any of the Parties may be subject. Without in any way limiting the generality of the foregoing, chargeable costs and expenditures shall include:

18 **2.1 Licenses, Permits, Etc.**

19
20 All costs, if any, attributable to the acquisition, maintenance, renewal or relinquishment
21 of licenses, permits, contractual and/or surface rights acquired for Joint Operations and
22 bonuses paid in accordance with the Contract when paid by Operator in accordance with
23 the provisions of the Agreement.
24

25 **2.2 Salaries, Wages and Related Costs.**

26 Salaries, wages and related costs include everything constituting the employees' total
27 compensation, as well as the cost to Operator of holiday, vacation, sickness, disability
28 benefits, living and housing allowances, travel time, bonuses, and other customary
29 allowances applicable to the salaries and wages chargeable hereunder, as well as the
30 costs to Operator for employee benefits, including but not limited to employee group life
31 insurance, group medical insurance, hospitalization, retirement, severance payments
32 required by the laws or regulations of the Country of Operations approval of the
33 Operating Committee shall be required to charge the Joint Account with any severance
34 payments in excess of those provided by the laws or regulations of the Country of
35 Operations, and other benefit plans of a like nature applicable to labor costs of Operator.
36
37

38 All costs associated with organizational restructuring (e.g., separation benefits,
39 relocation costs, asset disposition costs) of Operator or its Affiliates, other than those
40 costs which are directly related to employees of Operator who are directly engaged in
41 Joint Operations on a full time basis, will require the approval of the Parties to be
42 chargeable to the Joint Account.
43

44 Any costs associated with Country of Operations benefit plans which are not currently
45 funded shall be accrued and not be paid by Non-Operators, unless otherwise approved
46 by the Operating Committee, until the same are due and payable to the employee, upon
47 withdrawal of a Party pursuant to the Agreement and then only by the withdrawing Party,
48 or upon termination of the Agreement, whichever occurs first.
49

1 Expenditures or contributions made pursuant to assessments imposed by governmental
2 authority for payments with respect to or on account of employees described in Section
3 2.2.1 and Section 2.2.2 shall be chargeable to the Joint Account.
4

5
6 **2.2.1** The salaries, wages and related costs of employees of Operator and its
7 Affiliates temporarily or permanently assigned in the Country of Operations and
8 directly engaged in Joint Operations shall be chargeable to the Joint Account.
9

10 **2.2.2** The salaries, wages and related costs of employees of Operator and its
11 Affiliates temporarily or permanently assigned outside the Country of
12 Operations directly engaged in Joint Operations and not otherwise covered in
13 Section 2.7.2 shall be chargeable to the Joint Account.
14

15 **2.2.3** Costs for salaries, wages and related costs may be charged to the Joint
16 Account on an actual basis or at a rate based upon the average cost in
17 accordance with Operator's usual practice. In determining the average cost,
18 expatriate and national employees' rates shall be calculated separately and
19 reviewed at least annually.
20

21 **2.2.4** Reasonable expenses (including related travel costs) of those employees
22 whose salaries and wages are chargeable to the Joint Account under Sections
23 2.2.1 and 2.2.2 of this Section II and for which expenses the employees are
24 reimbursed under the usual practice of Operator shall be chargeable to the
25 Joint Account.
26

27 **2.2.5** If employees are engaged in other activities in addition to the Joint Operations,
28 the cost of such employees shall be allocated on an equitable basis.
29

30 **2.3 Employee Relocation Costs.**

31
32 **2.3.1** Except as provided in Section 2.3.3, Operator's cost of employees' relocation to
33 or from an assignment with the Joint Operations, whether within or outside the
34 Country of Operations and whether permanently or temporarily assigned to the
35 Joint Operations, shall be chargeable to the Joint Account. If such employee
36 works on other activities in addition to Joint Operations, such relocation costs
37 shall be allocated on an equitable basis.
38

39 **2.3.2** Such relocation costs shall include transportation of employees, families,
40 personal and household effects of the employee and family, transit expenses,
41 and all other related costs in accordance with Operator's usual practice.
42

43 **2.3.3** Relocation costs from an assignment with the Joint Operations to another
44 location classified as a foreign location by Operator shall not be chargeable to
45 the Joint Account unless such foreign location is the point of origin of the
46 employee or unless otherwise agreed by the Operating Committee.
47

48 **2.4 Offices, Camps, and Miscellaneous Facilities.**

1 Cost of maintaining any offices, sub-offices, camps, warehouses, housing, and other
2 facilities of the Operator and/or Affiliates directly serving the Joint Operations. If such
3 facilities serve operations in addition to the Joint Operations the costs shall be allocated
4 to the properties served on an equitable basis.
5

6 **2.5 Material.**

7
8 Cost, net of discounts taken by Operator, of Material purchased or furnished by
9 Operator. Such costs shall include, but are not limited to, export brokers' fees,
10 transportation charges, loading, unloading fees, export and import duties and license
11 fees associated with the procurement of Material and in-transit losses, if any, not
12 covered by insurance. So far as it is reasonably practical and consistent with efficient
13 and economical operation, only such Material shall be purchased for, and the cost
14 thereof charged to, the Joint Account as may be required for immediate use.
15
16

17 **2.6 Exclusively Owned Equipment and Facilities of Operator and Affiliates.**

18
19 Charges for exclusively owned equipment, facilities, and utilities of Operator or any of its
20 Affiliates at rates not to exceed the average commercial rates of non-affiliated third
21 parties then prevailing for like equipment, facilities, and utilities for use in the area where
22 the same are used hereunder. On request, Operator shall furnish Non-Operators a list
23 of rates and the basis of application. Such rates shall be revised from time to time if
24 found to be either excessive or insufficient, but not more than once every six months.
25

26 Exclusively owned drilling tools and other equipment lost in the hole or damaged beyond
27 repair may be charged at replacement cost less depreciation plus transportation costs to
28 deliver like equipment to the location where used.
29

30 **2.7 Services.**

31
32 **2.7.1** The charges for services provided by third parties, including the Affiliates of the
33 respective Parties which have contracted with Operator to perform services
34 that are normally provided by third parties, other than those services covered
35 by Section 2.7.2 and Section 2.7.3, shall be chargeable to the Joint Account.
36 Such charges for services by the Affiliates of the respective Parties shall not
37 exceed those currently prevailing if performed by non-affiliated third parties,
38 considering quality and availability of services.
39

40 **2.7.2** The cost of services performed by Operator's Affiliates technical and
41 professional staffs not located within the Country of Operation and not
42 otherwise covered under Section 2.2.2, shall be chargeable to the Joint
43 Account. The individual rates shall include salaries and wages of such
44 technical and professional personnel, lost time, governmental assessments,
45 and employee benefits. Costs shall also include all support costs necessary for
46 such technical and professional personnel to perform such services, such as,
47 but not limited to, rent, utilities, support staff, drafting, telephone and other

1 communication expenses, computer support, supplies, depreciation, and other
2 reasonable expenses.

3
4 **2.7.3** The cost of services performed with the approval of Operator by the technical
5 and professional staffs of the Non-Operators and the Affiliates of the respective
6 Non-Operators, including the cost to such Affiliates and Non-Operators of their
7 respective Seconddees, shall be chargeable to the Joint Account. The individual
8 rates shall include salaries and wages of such technical and professional
9 personnel and Seconddees, lost time, governmental assessments, and
10 employee benefits. Costs (other than for Seconddees) shall also include all
11 support costs necessary for such technical and professional personnel to
12 perform such services, such as, but not limited, to rent, utilities, support staff,
13 drafting, telephone and other communication expenses, computer support,
14 supplies, depreciation, and other reasonable expenses.

15
16 **2.7.4** A Non-Operator shall bill Operator for direct costs of services and of
17 Seconddees charged under the provisions of Section 2.7.3 on or before the last
18 day of each month for charges for the preceding month, to which charges Non-
19 Operator shall not add an administrative overhead rate. Within thirty (30) Days
20 after receipt of a bill for such charges, Operator shall pay the amount due
21 thereon.

22
23
24 The charges for such services under Section 2.7.2 and Section 2.7.3 shall not
25 exceed those currently prevailing if performed by non-affiliated third parties,
26 considering the quality and availability of such services.

27
28 Examples of such services covered under Sections 2.7.2 and Section 2.7.3
29 include, but are not limited to, the following:

30
31 Geologic Studies and Interpretation
32 Seismic Data Processing
33 Well Log Analysis, Correlation and Interpretation
34 Laboratory Services
35 Well Site Geology
36 Project Engineering
37 Source Rock Analysis
38 Petrophysical Analysis
39 Geochemical Analysis
40 Drilling Supervision
41 Development Evaluation
42 Accounting and Professional Services
43 Other Data Processing
44

45 **2.8 Insurance.**

46
47 Premiums paid for insurance required by law or the Agreement to be carried for the
48 benefit of the Joint Operations.
49

1 **2.9 Damages and Losses to Property.**

2
3 **2.9.1** All costs or expenditures necessary to replace or repair damages or losses
4 incurred by fire, flood, storm, theft, accident, or any other cause shall be
5 chargeable to the Joint Account. Operator shall furnish Non-Operators written
6 notice of damages or losses incurred in excess of U.S. \$500,000 as soon as
7 practical after report of the same has been received by Operator. All losses in
8 excess of U.S. \$500,000 shall be listed separately in the monthly statement of
9 costs and expenditures.

10
11 **2.9.2** Credits for settlements received from insurance carried for the benefit of Joint
12 Operations and from others for losses or damages to Joint Property or
13 Materials shall be chargeable to the Joint Account. Each Party shall be
14 credited with its Participating Interest share thereof except where such receipts
15 are derived from insurance purchased by Operator for less than all Parties in
16 which event such proceeds shall be credited to those Parties for whom the
17 insurance was purchased in the proportion of their respective contributions
18 toward the insurance coverage.

19
20 **2.9.3** Expenditures incurred in the settlement of all losses, claims, damages,
21 judgments, and other expenses for the account of Joint Operations shall be
22 chargeable to the Joint Account.
23

24 **2.10 Litigation and Legal Expenses.**

25 The costs and expenses of litigation and legal services necessary for the protection of
26 the Joint Operations under this Agreement as follows:

27
28
29 **2.10.1** Legal services necessary or expedient for the protection of the Joint
30 Operations, and all costs and expenses of litigation, arbitration or other
31 alternative dispute resolution procedure, including reasonable attorneys' fees
32 and expenses, together with all judgments obtained against the Parties or any
33 of them arising from the Joint Operations.
34

35 **2.10.2** If the Parties hereunder shall so agree, actions or claims affecting the Joint
36 Operations hereunder may be handled by the legal staff of one or any of the
37 Parties hereto; and a charge commensurate with the reasonable costs of
38 providing and furnishing such services rendered may be made by the Party
39 providing such service to Operator for the Joint Account, but no such charges
40 shall be made until approved by the Parties.
41

42 **2.11 Taxes and Duties.**

43 All taxes, duties, assessments and governmental charges, of every kind and nature,
44 assessed or levied upon or in connection with the Joint Operations, other than any that
45 are measured by or based upon the revenues, income and net worth of a Party.
46
47

48 If Operator or an Affiliate is subject to income or withholding tax as a result of services

1 performed at cost for the operations under the Agreement, its charges for such services
2 may be increased by the amount of such taxes incurred (grossed up).
3

4 **2.12 Ecological and Environmental.**

5
6 Costs incurred on the Joint Property as a result of statutory regulations for
7 archaeological and geophysical surveys relative to identification and protection of
8 cultural resources and/or other environmental or ecological surveys as may be required
9 by any regulatory authority. Also, costs to provide or have available pollution
10 containment and removal equipment plus costs of actual control, clean up and
11 remediation resulting from responsibilities associated with Hydrocarbon contamination
12 as required by all applicable laws and regulations.
13

14 **2.13 Decommissioning (Abandonment) and Reclamation.**

15
16 Costs incurred for decommissioning (abandonment) and reclamation of the Joint
17 Property, including costs required by governmental or other regulatory authority or by
18 the Contract.
19

20 **2.14 Other Expenditures.**

21
22 Any other costs and expenditures incurred by Operator for the necessary and proper
23 conduct of the Joint Operations in accordance with approved Work Programs and
24 Budgets and not covered in this Section II or in Section III.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18

SECTION III.
INDIRECT CHARGES

19
20

3.1 **Purpose.**

Operator shall charge the Joint Account monthly for the cost of indirect services and related office costs of Operator and its Affiliates not otherwise provided in this Accounting Procedure. Indirect costs chargeable under this Section III represent the cost of general assistance and support services provided by Operator and its Affiliates. These costs are such that it is not practical to identify or associate them with specific projects but are for services which provide the Joint Operations with needed and necessary resources which Operator requires and provide a real benefit to Joint Operations. No cost or expenditure included under Section II shall be included or duplicated under this Section III. The charges under Section III are not subject to audit under Sections 1.8.1 and 1.8.2 other than to verify that the overhead percentages are applied correctly to the expenditure basis.

21
22
23
24
25
26
27
28
29
30

3.2 **Amount.**

3.2.1 The indirect charge under Section 3.1 for any month shall equal the greater of the total amount of indirect charges for the period beginning at the start of the Calendar Year through the end of the period covered by Operator's invoice ("Year-to-Date") determined under Section 3.2.2, less indirect charges previously made under Section 3.1 for the Calendar Year in question, or the amount of the minimum assessment determined under Section 3.2.3, calculated on an annualized basis (but reduced pro rata for periods of less than one year), less indirect charges previously made under Section 3.1 for the Calendar Year in question.

31
32
33
34

3.2.2 Unless exceeded by the minimum assessment under Section 3.2.3, the aggregate Year-to-Date indirect charges shall be a percentage of the Year-to-Date expenditures, calculated on the following scale (U.S. Dollars):

35
36

Annual Expenditures

37
38

\$0 to \$5,000,000 of expenditures = 5%

39

Next \$10,000,000 of expenditures = 3%

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

Excess above \$15,000,000 of expenditures = 1%

3.2.3 A minimum amount of U.S. \$50,000 shall be assessed each Calendar Year calculated from the Effective Date and shall be reduced pro rata for periods of less than a year.

3.2.4 Indirect Charge for Projects.

As to major projects (such as, but not limited to, pipelines, gas reprocessing and processing plants, final loading and terminalling facilities, and dismantling for decommissioning of platforms and related facilities) when the estimated cost of each project amounts to more than U.S. \$ 25,000,000, a separate indirect charge for such project shall be approved by the Operating Committee at the time of approval of the project.

During its process of winding-up Joint Operations Operator shall have the right to charge the greater of the sliding scale percentage rate or the minimum indirect charge for a period of twenty-four (24) months. If the winding-up process continues beyond the end of such period, the charge shall be confined to and based upon the sliding scale percentage rate.

Notwithstanding the foregoing, the indirect rates and related calculation method for development operations, production operations, and dismantling for decommissioning of platforms and related facilities shall be agreed upon by the Operating Committee prior to the submission of the first annual budget for those phases of operations.

3.3 Exclusions.

The expenditures used to calculate the monthly indirect charge shall not include the indirect charge (calculated either as a percentage of expenditures or as a minimum monthly charge), rentals on surface rights acquired and maintained for the Joint Account, guarantee deposits, pipeline tariffs, concession acquisition costs, bonuses paid in accordance with the Contract, royalties and taxes on production or revenue to the Joint Account paid by Operator, expenditures associated with major construction projects for which a separate indirect charge is established hereunder, payments to third parties in settlement of claims, and other similar items.

Credits arising from any government subsidy payments, disposition of Material, and receipts from third parties for settlement of claims shall not be deducted from total expenditures in determining such indirect charge.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49

**SECTION IV.
ACQUISITION OF MATERIAL**

5 **4.1 Acquisitions.**

7 Materials purchased for the Joint Account shall be charged at net cost paid by the
8 Operator. The price of Materials purchased shall include, but shall not be limited to
9 export broker's fees, insurance, transportation charges, loading and unloading fees,
10 import duties, license fees, and demurrage (retention charges) associated with the
11 procurement of Materials, and applicable taxes, less all discounts taken.

13 **4.2 Materials Furnished by Operator.**

15 Materials required for operations shall be purchased for direct charge to the Joint
16 Account whenever practicable, except the Operator may furnish such Materials from its
17 stock under the following conditions:

19 **4.2.1 New Materials (Condition "A").**

21 New Materials transferred from the warehouse or other properties of Operator
22 shall be priced at net cost determined in accordance with Section 4.1 above as
23 if Operator had purchased such new Material just prior to its transfer.

25 Such net costs shall in no event exceed the then current market price.

27 **4.2.2 Used Materials (Conditions "B" and "C").**

29 **4.2.2.1** Material which is in sound and serviceable condition and suitable
30 for use without repair or reconditioning shall be classed as
31 Condition "B" and priced at seventy-five percent (75%) of such
32 new purchase net cost at the time of transfer.

34 **4.2.2.2** Materials not meeting the requirements of Section 4.2.2.1 above,
35 but which can be made suitable for use after being repaired or
36 reconditioned, shall be classed as Condition "C" and priced at fifty
37 percent (50%) of such new purchase net cost at the time of
38 transfer. The cost of reconditioning shall also be charged to the
39 Joint Account provided the Condition "C" price, plus cost of
40 reconditioning, does not exceed the Condition "B" price; and
41 provided that Material so classified meet the requirements for
42 Condition "B" Material upon being repaired or reconditioned.

44 **4.2.2.3** Material which cannot be classified as Condition "B" or Condition
45 "C", shall be priced at a value commensurate with its use.

47 **4.2.2.4** Tanks, derricks, buildings, and other items of Material involving
48 erection costs, if transferred in knocked-down condition, shall be
49 graded as to condition as provided in this Section 4.2.2 of Section

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43

IV, and priced on the basis of knocked-down price of like new Material.

4.2.2.5 Material including drill pipe, casing and tubing, which is no longer useable for its original purpose but is useable for some other purpose, shall be graded as to condition as provided in this Section 4.2.2 of Section IV. Such Material shall be priced on the basis of the current price of items normally used for such other purpose if sold to third parties.

4.3 Premium Prices.

Whenever Material is not readily obtainable at prices specified in Sections 4.1 and 4.2 of this Section IV because of national emergencies, strikes or other unusual causes over which Operator has no control, Operator may charge the Joint Account for the required Material at Operator's actual cost incurred procuring such Material, in making it suitable for use, and moving it to the Contract Area, provided that notice in writing, including a detailed description of the Material required and the required delivery date, is furnished to Non-Operators of the proposed charge at least 3 Days (or such shorter period as may be specified by Operator) before the Material is projected to be needed for operations and prior to billing Non-Operators for such Material the cost of which exceeds U.S. \$500,000. Each Non-Operator shall have the right, by so electing and notifying Operator within 3 Days (or such shorter period as may be specified by Operator) after receiving notice from Operator, to furnish in kind all or part of his share of such Material per the terms of the notice which is suitable for use and acceptable to Operator both as to quality and time of delivery. Such acceptance by Operator shall not be unreasonably withheld. If Material furnished is deemed unsuitable for use by Operator, all costs incurred in disposing of such Material or returning Material to owner shall be borne by the Non-Operator furnishing the same unless otherwise agreed by the Parties. If a Non-Operator fails to properly submit an election notification within the designated period, Operator is not required to accept Material furnished in kind by that Non-Operator. If Operator fails to submit proper notification prior to billing Non-Operators for such Material, Operator shall only charge the Joint Account on the basis of the price allowed during a "normal" pricing period in effect at time of movement.

4.4 Warranty of Material Furnished by Operator.

Operator does not warrant the condition or fitness for the purpose intended of the Material furnished. In case defective Material is furnished by Operator for the Joint Account, credit shall not be passed to the Joint Account until adjustment has been received by Operator from the manufacturers or their agents. (Note: This Section has been made conspicuous so as to comply with the requirement of Section 2-316 of the Uniform Commercial Code.)

1
2
3
4

**SECTION V.
DISPOSAL OF MATERIALS**

5 **5.1 Disposal.**

6
7 Operator shall be under no obligation to purchase the interest of Non-Operators in new
8 or used surplus Materials. Operator shall have the right to dispose of Materials but shall
9 advise and secure prior agreement of the Operating Committee of any proposed
10 disposition of Materials having an original cost to the Joint Account either individually or
11 in the aggregate of U.S. \$500,000 or more. When Joint Operations are relieved of
12 Material charged to the Joint Account, Operator shall advise each Non-Operator of the
13 original cost of such Material to the Joint Account so that the Parties may eliminate such
14 costs from their asset records. Credits for Material sold by Operator shall be made to
15 the Joint Account in the month in which payment is received for the Material. Any
16 Material sold or disposed of under this Section shall be on an "as is, where is" basis
17 without guarantees or warranties of any kind or nature. Costs and expenditures incurred
18 by Operator in the disposition of Materials shall be charged to the Joint Account.
19

20 **5.2 Material Purchased by a Party or Affiliate.**

21
22 Proceeds received from Material purchased from the Joint Property by a Party or an
23 Affiliate thereof shall be credited by Operator to the Joint Account, with new Material
24 valued in the same manner as new Material under Section 4.2.1 and used Material
25 valued in the same manner as used Material under Section 4.2.2, unless otherwise
26 agreed by the Operating Committee.
27

28 **5.3 Division In Kind.**

29
30 Division of Material in kind, if made between the Parties, shall be in proportion to their
31 respective interests in such Material. Each Party will thereupon be charged individually
32 with the value (determined in accordance with the procedure set forth in Section 5.2) of
33 the Material received or receivable by it.
34

35 **5.4 Sales to Third Parties.**

36
37 Proceeds received from Material purchased from the Joint Property by third parties shall
38 be credited by Operator to the Joint Account at the net amount collected by Operator
39 from the buyer. If the sales price is less than that determined in accordance with the
40 procedure set forth in Section 5.2, then approval by the Operating Committee shall be
41 required prior to the sale. Any claims by the buyer for defective materials or otherwise
42 shall be charged back to the Joint Account if and when paid by Operator.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18

**SECTION VI.
INVENTORIES**

19 **6.1 Periodic Inventories - Notice and Representation.**

20
21
22
23
24
25

At reasonable intervals, but at least annually, inventories shall be taken by Operator of all Material held in warehouse stock on which detailed accounting records are normally maintained. The expense of conducting periodic inventories shall be charged to the Joint Account. Operator shall give Non-Operators written notice at least sixty Days (60) in advance of its Intention to take inventory, and Non-Operators, at their sole cost and expense, shall each be entitled to have a representative present. The failure of any Non-Operator to be represented at such inventory shall bind such Non-Operator to accept the inventory taken by Operator, who shall in that event furnish each Non-Operator with a reconciliation of overages and shortages. Inventory adjustments to the Joint Account shall be made for overages and shortages. Any adjustment equivalent to U.S. \$500,000 or more shall be brought to the attention of the Operating Committee.

19 **6.2 Special Inventories.**

20
21
22
23
24
25

Whenever there is a sale or change of interest in the Agreement, a special inventory may be taken by the Operator provided the seller and/or purchaser of such interest agrees to bear all of the expense thereof. In such cases, both the seller and the purchaser shall be entitled to be represented and shall be governed by the inventory so taken.

**THIS PAGE IS NOT A PART OF
THE ACCOUNTING PROCEDURE OR
THE OPERATING AGREEMENT**

References to the following Model Operating Agreement Articles may be found in this Accounting Procedure in the Sections indicated.

Article I.....	Section 1.3
Article 1.4.....	Section 1.6.13.3
Article 4.2(B)(6).....	Section 1.8.1
Article 4.11.....	Section 1.6.13.5
Article 6.4.....	Sections 1.5.1, 1.6.1 and 1.6.2
Article VII.....	Sections 1.6.13.1 and 1.6.13.5
Article VIII.....	Section 1.6.9
Article 15.1(A)(3) and (9).....	Section 1.8.3
Article XVIII.....	Section 1.8.6

JOA NOVATION AGREEMENT

(West Cape Three Points)

THIS JOA NOVATION AGREEMENT is made this ___ day of October 2006 by and among **Kosmos Energy Ghana HC**, a Cayman Islands company having its registered office at P.O. Box 1350 GT, Clifton House, 75 Fort Street, George Town, Grand Cayman, Cayman Islands ("Kosmos"); **Anadarko WCTP Company**, a Ghanaian company having its office at 1201 Lake Robbins Drive, The Woodlands, Texas 77380 ("Anadarko"); **Tullow Ghana Limited**, a company organised and existing under the laws of Jersey ("Tullow"); **Sabre Oil and Gas Limited**, a Scottish company ("Sabre"), and **E.O. Group Limited**, a company organised and existing under the laws of the Republic of Ghana ("EO"), collectively referred to as the "Parties" and individually as a "Party".

WITNESSETH:

WHEREAS, Kosmos has entered into a Petroleum Agreement ("PA") with the Government of the Republic of Ghana, the Ghana National Petroleum Corporation and the E.O. Group in the West Cape Three Points Block dated July 22, 2004 and Kosmos has entered into a Joint Operating Agreement ("JOA") with the E.O. Group covering the West Cape Three Points Block, with the same effective date as the PA, both the PA and JOA shall hereinafter be referred to as the "**Related Documents**";

WHEREAS, Kosmos, Tullow and Sabre have each executed that certain Farm-out Agreement dated February 1, 2006 (the "**February Farm-out Agreement**") under which Kosmos agreed to be released from, and Tullow and Sabre, respectively agreed to assume, the future liabilities and perform the future obligations of Kosmos in respect of a cumulative 24.75% participating interest (the "**Tullow Interest**") in Kosmos' rights, privileges, duties and obligations under the Related Documents, with Tullow assuming 22.896% of such interest and Sabre assuming 1.854% of such interest;

WHEREAS, Kosmos and Anadarko have executed a Farm-out Agreement dated March 9, 2006 (the "**March Farm-out Agreement**") under which Kosmos agreed to be released from, and Anadarko agreed to assume, the future liabilities and obligations of Kosmos in respect of an undivided 30.875% participating interest in Kosmos' rights, privileges, duties and obligations under the Related Documents (the "**Anadarko Interest**"); and

WHEREAS, Kosmos, Anadarko, Tullow, Sabre and EO desire to execute this Novation Agreement for the purposes of (i) evidencing the consent of Tullow and Sabre to the assumption of their respective portions of the Tullow Interest, (ii) evidencing the consent of Anadarko to the assumption of the Anadarko Interest, and (iii) confirming the release of Kosmos with respect to each of the Tullow Interest and the Anadarko Interest, all upon the terms and conditions set out herein.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereby agree as follows:

1. Unless otherwise defined herein or as required in the context used, capitalized terms used in this Novation Agreement but not defined shall have the meaning ascribed to such terms in the applicable Farm-out Agreement.
2. Each of the Parties severally agrees:
 - (a) From and after the effective date of the Deed of Assignment with respect to the Tullow Interest (the "Tullow Effective Date"), Kosmos shall cease to be liable for the Tullow Interest and Tullow and Sabre shall take the place of Kosmos, in their respective portions, in respect of the Tullow Interest and shall assume the obligations and liabilities, and be entitled to the rights and benefits, of Kosmos in substitution of Kosmos;
 - (b) From and after the effective date of the Deed of Assignment with respect to the Anadarko Interest (the "Anadarko Effective Date"), Kosmos shall cease to be liable for the Anadarko Interest and Anadarko shall take the place of Kosmos in respect of the Anadarko Interest and shall assume the obligations and liabilities, and be entitled to the rights and benefits, of Kosmos in substitution of Kosmos;
 - (c) Kosmos shall continue to be liable for all liabilities, obligations, duties and claims arising under the Related Documents in respect of the Anadarko Interest and Tullow Interest, whether actual, accrued or contingent, relating to the period prior to the Anadarko Effective Date and the Tullow Effective Date, respectively;
 - (d) Tullow and Sabre each, in their respective portions, undertake and covenant as a separate obligation with each of Kosmos, Anadarko and EO to observe, perform, discharge and be bound by all liabilities, obligations, duties and claims arising under the Related Documents in respect of the Tullow Interest in the place of Kosmos whether actual, accrued, contingent or otherwise arising on or after the Tullow Effective Date;
 - (e) Anadarko undertakes and covenants as a separate obligation with each of Kosmos, Tullow, Sabre and EO to observe, perform, discharge and be bound by all liabilities, obligations, duties and claims arising under the Related Documents in respect of the Anadarko Interest in the place of Kosmos whether actual, accrued, contingent or otherwise arising on or after the Anadarko Effective Date; and
 - (f) each of Tullow, Sabre and EO hereby release and discharge Kosmos from its liabilities, obligations, duties and claims assumed by Anadarko pursuant to sub-clauses 2(b) and 2(e) above and accept the assumption by Anadarko of such liabilities, obligations, duties and claims in place thereof; and Anadarko hereby agrees to indemnify and hold harmless each of Kosmos, EO, Tullow and Sabre in respect of any damage, loss, proceeding, injury, claim, expense or cost (including reasonable legal costs) with respect to the Anadarko Interest for which Kosmos

would have been liable but for the release and discharge referred to in this sub-clause 2(f).

3. Article 1.47 of the JOA is hereby amended by substituting the following in lieu thereof:

1.47 Participating Interest means the undivided percentage participating and paying interests of each Party in the rights and obligations derived from the Contract and this Agreement all as set forth in Article 3.2 (A) of the JOA.

4. Article 3.2 (A) of the JOA is hereby amended, so that the list of participating interests and paying interests of the parties therein shall read as follows:

	Participating	Paying
Kosmos	30.875%	34.31%
Anadarko	30.875%	34.31%
EO	3.5%	3.88%
Tullow	22.896%	25.44%
Sabre	1.854%	2.06%
GNPC	10%	

5. The restrictions included in the transfer of interest provisions in Article 12.1.G shall not apply to Anadarko.

6. Article 5.9 of the JOA shall be amended by inserting the words "two or more" immediately before "Parties which are not Affiliates" in line 3, and by inserting immediately after "Parties which are not Affiliates" the words ", and for the purposes of this Article 5.9, a Party whose Joint Account costs are being paid on its behalf by another Party shall be treated as an Affiliate of that other Party whilst its costs are being carried in this manner".

7. Article 19 of the JOA is hereby deleted in its entirety.

8. **ARTICLE XV – CONFIDENTIAL INFORMATION** of the JOA is hereby amended to add the following Article 15.5 thereto:

15.5 Intellectual Property Rights; Disclosure and Use of Anadarko Confidential Information

(A) Notwithstanding anything to the contrary contained in this Agreement, including the foregoing provisions of this Article XV, the Parties hereby agree to be bound by the provisions of this Article 15.5, including each of the various subparagraphs hereof.

(B) For the purposes of this Article 15.5, including each of the various subparagraphs hereof, the following terms shall have the following meanings:

- (1) **"Affiliate"** means, in relation to any Party, a company, partnership, person or other legal entity which controls, or is controlled by, or which is controlled by an entity which controls, such Party. Control means the ownership directly or indirectly of fifty (50) percent or more of the voting rights in a company, partnership or legal entity.
 - (2) **"Anadarko Confidential Information"** means and includes any and all non-public information of any nature whatsoever and in whatever form, format or medium, and whether oral or in writing, including, without this limiting the generality of the foregoing, e-mails, discussions, faxes, documents, precedents, listings, software, data, graphs, oral recordings and digital information, which is disclosed by Anadarko pursuant to, regarding and/or in connection with this Agreement and/or the actual, anticipated or attempted development of the West Cape Three Points Block, offshore Ghana.
 - (3) **"Intellectual Property Rights"** means all intellectual property, proprietary, or similar rights, and embodiments thereof, including, without limitation, inventions, devices, processes, Anadarko Confidential Information, methods, technologies, know-how, trade secrets, discoveries, ideas, registered or unregistered designs, design rights, utility or design patents, provisionals, divisions, renewals, extensions, reissues, continuations, continuations-in-part, copyrights, trademarks, tradenames, as well as any and all applications regarding the foregoing and any and all related, similar or equivalent rights to the foregoing anywhere in the world.
 - (4) **"The Parties' Personnel"** means Kosmos, Tullow, Sabre and EO and each of their employees, agents, subcontractors, and representatives, as well as Kosmos', Tullow's, Sabre's and EO's suppliers and subcontractors and each of their respective employees, agents, subcontractors and representatives, and any other persons provided by Kosmos, Tullow, Sabre and/or EO to conduct or perform activities, services, or any other action(s), pursuant to, regarding and/or in connection with this Agreement and/or the actual, anticipated or attempted development of the West Cape Three Points Block, offshore Ghana (the "Activities").
- (C) Anadarko is the sole owner of the Intellectual Property Rights in, for and/or pertaining to that (those) certain proprietary technology(ies), system(s), method(s) and/or process(es) for the offshore drilling, production, and processing of hydrocarbons known to Anadarko as the Modular Exploration and Production System, or MEPS ("The MEPS Technology"). With respect to The MEPS Technology, it is understood and agreed by the Parties that:

- (1) For the avoidance of doubt, Anadarko is the sole owner of the Anadarko Confidential Information that forms part of the Intellectual Property Rights in, for and/or pertaining to The MEPS Technology, and any and all existing, future and/or later-acquired technical and non-technical information relating thereto. Without the prior written consent of Anadarko, none of the Anadarko Confidential Information may be copied or reproduced by any entity or person.
- (2) Kosmos, Tullow, Sabre and EO shall hold, and shall cause The Parties' Personnel to hold, all of the Anadarko Confidential Information in the strictest of confidence at all times, making no disclosure thereof to any person other than The Parties' Personnel known to need access to such Anadarko Confidential Information in order to conduct or perform the Activities.
- (3) No license is granted by Anadarko hereunder for Kosmos, Tullow, Sabre, EO or The Parties' Personnel to use, and Kosmos, Tullow, Sabre and EO shall not use, and Kosmos, Tullow, Sabre and EO shall cause The Parties' Personnel to not use, The MEPS Technology, the Intellectual Property Rights in, for and/or pertaining to The MEPS Technology, and, for the avoidance of any doubt, the Anadarko Confidential Information that forms part of the Intellectual Property Rights in, for and/or pertaining to The MEPS Technology for any purpose other than the conduct or the performance of the Activities.
- (4) Kosmos, Tullow, Sabre and EO shall return, and shall cause The Parties' Personnel to return, to Anadarko all of the Anadarko Confidential Information, and all copies thereof, if any, on the earlier to occur of (a) the receipt of a written request by Anadarko for the return of the Anadarko Confidential Information, or (b) the termination of this Agreement.
- (5) Kosmos, Tullow, Sabre and EO hereby irrevocably grant and assign to Anadarko, and Kosmos, Tullow, Sabre and EO shall cause all of The Parties' Personnel to irrevocably grant and assign to Kosmos, Tullow, Sabre and EO, or directly to Anadarko, all current, future and/or later-acquired Intellectual Property Rights, and all current, future, and/or later-acquired information, arising from, as a result of or in connection with, or in any way relating or pertaining to the MEPS Technology and/or the disclosure thereof, and such Intellectual Property Rights and all such information shall automatically be Anadarko's sole property. Further, and for the avoidance of any doubt, Anadarko shall be the sole owner, in the case of information, upon its conception, and, in the case of copyrightable works, on or at the fixation in a tangible medium of the expression, regardless of who conceived, authored, or otherwise created, made, developed, or contributed to same. For

all Intellectual Property Rights that are registerable, the grants and assignments herein shall be effective for both the initial registration period and any subsequent renewal period.

- (6) On a quarterly basis, Kosmos, Tullow, Sabre and EO shall disclose to Anadarko, and Kosmos, Tullow, Sabre and EO shall cause The Parties' Personnel to disclose to Kosmos, Tullow, Sabre and EO, or directly to Anadarko, any and all Intellectual Property Rights arising from, as a result of or in connection with, or in any way relating or pertaining to the MEPS Technology and/or the use and/or disclosure thereof and/or the conduct and/or performance of the Activities.
- (7) Kosmos, Tullow, Sabre and EO will at all times, both during the term of this Agreement and after the termination hereof for any reason, assist Anadarko to obtain legal title of and to, and registrations for, the Intellectual Property Rights that have been assigned or are obligated to be assigned to Anadarko, either directly by Kosmos, Tullow, Sabre, EO and The Parties' Personnel or indirectly by the Parties' Personnel through Kosmos, Tullow, Sabre and EO, under and/or pursuant to this Agreement.
- (8) Notwithstanding anything to the contrary contained in this Agreement, Anadarko retains and reserves all rights to the Intellectual Property Rights in, for and/or pertaining to The MEPS Technology, and nothing in this Agreement shall be implied or interpreted to constitute the grant of any license or right of use to Kosmos, Tullow, Sabre, EO or The Parties' Personnel relating to The MEPS Technology and/or the Intellectual Property Rights in, for and/or pertaining to The MEPS Technology. Unless otherwise expressly stated in this Agreement with regard to any particular right granted to Kosmos, Tullow, Sabre, EO and/or The Parties' Personnel to use The MEPS Technology and/or the Intellectual Property Rights in, for and/or pertaining to The MEPS Technology, any such right shall not be licensed, sub-licensed or assignable and shall immediately terminate upon any attempted license, sub-license and/or assignment thereof or upon the termination of this Agreement.
- (9) Kosmos, Tullow, Sabre and EO will not, and Kosmos, Tullow, Sabre and EO will cause The Parties' Personnel to not, develop, market, sell, deploy, or otherwise use, or assist any other entity or person to develop, market, sell, deploy, or otherwise use, any product, information, technology, system, method, process, service, or the like, that arises from, as a result of or in connection with, or in any way relates or pertains to The MEPS Technology and/or the disclosure thereof.
- (10) Kosmos, Tullow, Sabre and EO, on or before the Effective Date of

this Agreement (and, if necessary, throughout the term of this Agreement as and when new and/or different members of The Parties' Personnel are used by Kosmos, Tullow, Sabre and/or EO to conduct or perform Activities), shall secure in writing from The Parties' Personnel, for the benefit of Anadarko, the agreements, commitments, grants, and assignments specified in this Article 15.5, including each of the various subparagraphs hereof, and Kosmos, Tullow, Sabre and EO shall provide copies to Anadarko of all such written undertakings by The Parties' Personnel.

- (11) Notwithstanding anything to the contrary contained in this Agreement, upon any suspension or the termination of this Agreement for any reason, the Parties shall continue to be bound by the provisions of this Article 15.5, including each of the various subparagraphs hereof.
 - (12) For the purposes of this Article 15.5, including each of the various subparagraphs hereof, the terms "Kosmos," "Tullow," "Sabre," "EO," "The Parties' Personnel," and "Parties" shall include, without limitation, and the provisions of this Article 15.5, including each of the various subparagraphs hereof, shall be binding upon, not only Kosmos, Tullow, Sabre and EO but also all of their Affiliates.
 - (13) Notwithstanding anything to the contrary contained in this Agreement, each of Kosmos, Tullow, Sabre and EO hereby represents and warrants that it has the legal right, power and authorization to bind and commit all of its Affiliates to the provisions of this Article 15.5 of this Agreement, including each of the various subparagraphs hereof, and each of Kosmos, Tullow, Sabre and EO hereby agrees to indemnify, hold harmless and defend Anadarko from and against any liability, claim, loss or damage which Anadarko may suffer or incur by reason of breach of any representation and warranty set forth in this Article 15.5(C)(13).
9. Each of Tullow, Sabre and Anadarko shall be responsible for payment in a timely fashion of all and any stamp duties and taxes (including interest, penalties and/or fines) payable on or in respect of the assignment of the Tullow Interest and the Anadarko Interest including, for the avoidance of doubt, the execution and enforcement of this Novation Agreement, and shall indemnify each of the other parties hereto in respect of any costs (including reasonable legal costs), expenses, loss or damage occasioned by its failure to pay such stamp duty and taxes or any delay in paying such stamp duty and taxes.
 10. This Novation Agreement shall be treated as constituting all actions, consents, confirmations, agreements and undertakings required under the Related Documents of Kosmos, Tullow, Sabre, Anadarko or EO in respect of the assignment of the Anadarko Interest and the Tullow Interest.

11. Except as expressly provided in this Novation Agreement, all other provisions of the Related Documents shall remain in full force and effect and binding on the parties thereto, insofar as the same are in force and effect and binding on those parties immediately prior to the Effective Date.
12. Unless otherwise provided herein, the terms of this Novation Agreement shall be effective as of the date hereof. Each reference in this Novation Agreement (including the Recitals) to the Related Documents shall be construed and have effect as a reference to the same as it may have been supplemented and/or amended and/or extended and/or novated prior to the date hereof.
13. For the purpose of service of notices under the terms of Article 17 of the JOA, the contact details of Anadarko, Tullow and Sabre are as follows:

Anadarko WCTP Company
GnG Manager, Africa Captured Assets
Anadarko Petroleum Corporation
1201 Lake Robbins Drive
The Woodlands, Texas 77380

Attn: Jonathan Leason
Fax: (832) 636-8020
Phone (832) 636-3180

Tullow Ghana Limited
c/o Tullow Oil plc
P. O. Box 532,
Channel House,
7 Esplanade,
St. Helier,
Jersey,
Channel Islands, JE4 5UW

Attn: Robin Sutherland
Facsimile: (27) 21 4007660
Telephone: (27) 21 4007600

Sabre Oil and Gas Limited
4 Rubislaw Place,
Aberdeen,
Scotland, AB10 1XN

Attn: Andrew MacDonald
Facsimile: 44 (0) 1224 649 700
Telephone: 44 (0) 1224 649 400

14. This Novation Agreement may be executed in any number of counterparts with the same effect as if the signatures on the counterparts were upon a single engrossment of this Novation Agreement provided that this Novation Agreement shall not be effective until all the counterparts have been executed.
15. Nothing in this Novation Agreement shall confer on any third party any right to enforce any term of this Novation Agreement.
16. This Novation Agreement is governed by and shall be construed in accordance with the laws of England and Wales.

IN WITNESS WHEREOF this Novation Agreement has been executed on behalf of the Parties on the day and year first above written.

TULLOW GHANA LIMITED

BY: [Signature]
 NAME: TON HIDEWAY
 TITLE: DIRECTOR

E.O. GROUP LIMITED

BY: [Signature]
 NAME: GEORGE J. ADU
 TITLE: DIRECTOR

SABRE OIL AND GAS LIMITED

BY: [Signature]
 NAME: A. S. UGARAH
 TITLE: DIRECTOR

ANADARKO WCTP COMPANY

BY: [Signature]
 NAME: SAMUEL LEASOR
 TITLE: VICE PRESIDENT

KOSMOS ENERGY GHANA HC

BY: [Signature]
 NAME: W. GREG DUNN
 TITLE: VICE PRESIDENT

NOVATION AGREEMENT

WEST CAPE THREE POINTS

THIS NOVATION AGREEMENT is made this *24* day of *March*, 2008 by and among Kosmos Energy Ghana HC, a Cayman Islands company having its registered office at P.O. Box 1350 GT, Clifton House, 75 Fort Street, George Town, Grand Cayman, Cayman Islands ("Kosmos"); Anadarko WCTP Company, a Cayman Islands company having its office at 1201 Lake Robbins Drive, The Woodlands, Texas 77380 ("Anadarko"); Tullow Ghana Limited, a Jersey company having its registered office at P.O. Box 532, Channel House, 7 Esplanade, St. Helier, Jersey, Channel House, JE4 5UW ("Tullow"); Sabre Oil and Gas Limited, a Scottish company having its registered office at 4 Rubislaw Place, Aberdeen, Scotland, AB10 1XN ("Sabre"); E.O. Group Limited, a company organised and existing under the laws of the Republic of Ghana ("EO") and Sabre Oil & Gas Holdings Limited a British Virgin Islands company having its registered office at Akara Bldg., 24 de Castro Street, Wickhams Cay I, Road Town, Tortola, British Virgin Islands ("Sabre Holdings"), collectively referred to as the "Parties" and individually as a "Party".

WITNESSETH:

WHEREAS, Kosmos, Anadarko, Tullow, Sabre and EO are party to a Petroleum Agreement dated 22 July 2004 (the "Petroleum Agreement") and a Joint Operating Agreement with the same effective date as the Petroleum Agreement, as it may have been amended (the "JOA"), which relate to the West Cape Three Points Block, the Petroleum Agreement and the JOA referred to together as the "Related Documents");

WHEREAS, as part of a group re-structuring Sabre has assigned its entire undivided Participating Interest in Sabre's rights, privileges, duties and obligations under the Related Documents (the "Subject Interest") to its Affiliate Sabre Holdings.

WHEREAS, with effect from the Effective Date, Sabre wishes to be released from, and Sabre Holdings wishes to assume, the liabilities and perform the obligations of Sabre in respect of the Subject Interest.

WHEREAS, Kosmos, Anadarko, Tullow, Sabre and EO have agreed to execute this Novation Agreement, confirming the release of Sabre and consent to the assumption by Sabre Holdings of the Subject Interest on the terms set out herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereby agree as follows:

1. This Novation Agreement shall have effect as of and from 14th June 2007 (the "Effective Date").

2. Each of the Parties severally agrees that with effect on and from the Effective Date:
- (a) Sabre shall cease to be liable for the Subject Interest and Sabre Holdings shall take the place of Sabre in respect of the Subject Interest and shall assume the obligations and liabilities and be entitled to the rights and benefits thereof in place of Sabre;
 - (b) Sabre shall continue to be liable for all liabilities, obligations, duties and claims arising under the Related Documents in respect of the Subject Interest, whether actual, accrued or contingent, if any, relating to the period before the Effective Date;
 - (c) Sabre Holdings undertakes and covenants as a separate obligation with each of Kosmos, Anadarko, Tullow and EO to observe, perform, discharge and be bound by all liabilities, obligations, duties and claims arising under the Related Documents in respect of the Subject Interest in the place of Sabre whether actual, accrued, contingent or otherwise arising on or after the Effective Date;
 - (d) Kosmos, Anadarko, Tullow, and EO respectively release and discharge Sabre from its liabilities, obligations, duties and claims assumed by Sabre Holdings pursuant to sub-clauses 2(a) and 2(c) above and accepts the assumption by Sabre Holdings of such liabilities, obligations, duties and claims in place thereof, and Sabre Holdings hereby agrees to indemnify and hold harmless each of Kosmos, Anadarko, Tullow, and EO in respect of any damage, loss, proceeding, injury, claim, expense or cost (including reasonable legal costs) for which Sabre would have been liable but for the release and discharge referred to in this sub-clause 2(d).

3. Article 3.2 (A) of the JOA is hereby amended, so that the list of Participating Interests and paying interests of the parties therein shall read as follows:

	Participating	Paying
Kosmos	30.875%	34.31%
Anadarko	30.875%	34.31%
EO	3.5%	3.88%
Tullow	22.896%	25.44%
Sabre Holdings	1.854%	2.06%
GNPC	10%	

4. Sabre Holdings shall be responsible for payment in a timely fashion of all and any stamp duties and taxes (including interest, penalties and/or fines) payable on or in respect of the assignment of the Subject Interest including, for the avoidance of doubt, the execution and enforcement of this Novation Agreement, and shall indemnify each of the other Parties hereto in respect of any costs (including reasonable legal costs), expenses, loss or damage occasioned by their failure to pay such stamp duty and taxes or any delay in paying such stamp duty and taxes.
5. This Novation Agreement shall be treated as constituting all actions, consents, confirmations, agreements and undertakings required of the Parties under the Related Documents in respect of the assignment of the Subject Interest.
6. Except as expressly provided in this Novation Agreement, all other provisions of the Related Documents shall remain in full force and effect and binding on the parties thereto, insofar as the same are in force and effect and binding on those parties immediately prior to the Effective Date.
7. Each reference in this Novation Agreement (including the Recitals) to the Related Documents shall be construed and have effect as a reference to the same as it may have been supplemented and/or amended and/or extended and/or novated prior to the date hereof.
8. For the purpose of service of notices under the terms of Article 17 of the JOA and Article 27 of the Petroleum Agreement, the contact details of Sabre Holdings are:

Sabre Oil & Gas Holdings Limited

Avenue Louis-Casati
CH-1209 Geneva
Switzerland

Attn: David Lampe

Facsimile: +41 22 747 7990

9. This Novation Agreement may be executed in any number of counterparts with the same effect as if the signatures on the counterparts were upon a single engrossment of this Novation Agreement provided that this Novation Agreement shall not be effective until all the counterparts have been executed.

engrossment of this Novation Agreement provided that this Novation Agreement shall not be effective until all the counterparts have been executed.

10. Nothing in this Novation Agreement shall confer on any third party any right to enforce any term of this Novation Agreement.
11. Words and expressions defined in the JOA shall have the same meaning when used in this Novation Agreement.
12. This Novation Agreement is governed by and shall be construed in accordance with the laws of England.

IN WITNESS WHEREOF this Novation Agreement has been executed on behalf of the Parties on the day and year first above written

KOSMOS ENERGY GHANA HC

BY: 

NAME: WILLIAM S. HAYES

TITLE: VICE PRESIDENT/SECRETARY

ANADARKO WCTP COMPANY

BY: _____

NAME: _____

TITLE: _____

TULLOW GHANA LIMITED

BY: _____

NAME: _____

TITLE: _____

11. Words and expressions defined in the JOA shall have the same meaning when used in this Novation Agreement.
12. This Novation Agreement is governed by and shall be construed in accordance with the laws of England.

IN WITNESS WHEREOF this Novation Agreement has been executed on behalf of the Parties on the day and year first above written

KOSMOS ENERGY GHANA HC

BY: _____

NAME: _____

TITLE: _____



ANADARKO WETCO COMPANY

BY: [Signature]

NAME: Robert K. Reeves

TITLE: Director

TULLOW GHANA LIMITED

BY: _____

NAME: _____

TITLE: _____

E.O. GROUP LIMITED

BY: _____

NAME: _____

TITLE: _____

10. Nothing in this Novation Agreement shall confer on any third party any right to enforce any term of this Novation Agreement.
11. Words and expressions defined in the JOA shall have the same meaning when used in this Novation Agreement.
12. This Novation Agreement is governed by and shall be construed in accordance with the laws of England.

IN WITNESS WHEREOF this Novation Agreement has been executed on behalf of the Parties on the day and year first above written

KOSMOS ENERGY GHANA HC

BY: _____

NAME: _____

TITLE: _____

ANADARKO WCTP COMPANY

BY: _____

NAME: _____

TITLE: _____

TULLOW GHANA LIMITED

BY: _____

NAME: Mr. R. E. Jeans

TITLE: Director A

[Signature]

DIRECTOR B

Mr. P. E. DRISSEN

Director A

[Signature]

E.O. GROUP LIMITED

BY: 

NAME: GEORGE Y. OWEN

TITLE: MANAGING PARTNER

SABRE OIL AND GAS LIMITED

BY: 

NAME: ANDREW MACDONNO

TITLE: DIRECTOR

SABRE OIL & GAS HOLDINGS LIMITED

BY: 

NAME: DAVID LAMPE

TITLE: DIRECTOR

NOVATION AGREEMENT
WEST CAPE THREE POINTS JOINT OPERATING AGREEMENT

THIS NOVATION AGREEMENT is made as of 10 December 2008 ("Effective Date") by and among:

- (1) Anadarko WCTP Company, a Cayman Islands company having its office at 1201 Lake Robbins Drive, The Woodlands, Texas 77380 ("Anadarko");
- (2) The E.O. Group Limited, a company organised and existing under the laws of the Republic of Ghana ("EO");
- (3) KG Group Limited, a Cayman Islands exempted company having its registered office at Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands ("KG");
- (4) Kosmos Energy Ghana HC a Cayman Islands exempted company having its registered office at P.O. Box 1350 GT, Clifton House, 75 Fort Street, George Town, Grand Cayman, Cayman Islands ("Kosmos");
- (5) Sabre Oil & Gas Holdings Limited, a British Virgin Islands company having its registered office at Akara Bldg., 24 de Castro Street, Wickhams Cay I, Road Town, Tortola, British Virgin Islands ("Sabre"); and
- (6) Tullow Ghana Limited, a Jersey company having its registered office at P.O. Box 532, Channel House, 7 Esplanade, St. Helier, Jersey, Channel House, JE4 5UW ("Tullow").

Collectively referred to as the "Parties" and individually as a "Party".

WHEREAS, Kosmos, EO, Anadarko, Tullow, and Sabre are parties to a Petroleum Agreement dated 22 July 2004 ("Petroleum Agreement") and a Joint Operating Agreement with the same effective date as the Petroleum Agreement, as it may have been amended ("JOA"), which relate to the West Cape Three Points Block, (the Petroleum Agreement and the JOA are referred to together as the "Related Documents");

WHEREAS, as part of a group re-structuring EO has assigned its entire undivided Participating Interest in EO's rights, privileges, duties and obligations under the Related Documents (the "Subject Interest") to its Affiliate, KG;

WHEREAS, with effect from the Effective Date, EO wishes to be released from, and KG wishes to assume, the liabilities, perform the obligations and be entitled to the rights of EO in respect of the Subject Interest.

WHEREAS, Kosmos, EO, Anadarko, Tullow, Sabre and KG have agreed to execute this Novation Agreement, confirming the release of EO and consenting to the assumption by KG of the Subject Interest on the terms set out herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereby agree as follows:

- (1) EO and KG jointly and severally warrant and represent to the other Parties that (i) the two sole shareholders of EO are also the two sole shareholders of KG and (ii) each such shareholder owns fifty percent (50%) of the equity interests and fifty percent (50%) of the voting rights in both EO and KG.

- (2) This Novation Agreement shall have effect as of and from the Effective Date, which is the date that the Minister of Energy of the Government of the Republic of Ghana granted its consent to such assignment and transfer.
- (3) Each of the Parties severally agrees that with effect on and from the Effective Date:
- (a) EO shall cease to have rights under or be liable for the Subject Interest and KG shall take the place of EO in respect of the Subject Interest and shall assume the obligations and liabilities and be entitled to the rights and benefits thereof in place of EO;
 - (b) EO shall continue to be liable for all liabilities, obligations, duties and claims arising under the Related Documents in respect of the Subject Interest, whether actual, accrued or contingent, if any, relating to the period before the Effective Date;
 - (c) KG undertakes and covenants as a separate obligation with each of Kosmos, Anadarko, Tullow and Sabre to observe, perform, discharge and be bound by all liabilities, obligations, duties and claims arising under the Related Documents in respect of the Subject Interest in the place of EO whether actual, accrued, contingent or otherwise arising on or after the Effective Date;
 - (d) Kosmos, Anadarko, Tullow, and Sabre respectively release and discharge EO from its liabilities, obligations, duties and claims assumed by KG pursuant to sub-clauses 2(a) and 2(c) above, accept the assumption by KG of such liabilities, obligations, duties and claims in place thereof and agree to perform their respective obligations under the Related Documents, and KG hereby agrees to indemnify and hold harmless each of Kosmos, Anadarko, Tullow, and Sabre in respect of any damage, loss, proceeding, injury, claim, expense or cost (including reasonable legal costs) for which EO would have been liable but for the release and discharge referred to in this sub-clause 2(d).
- (4) Article 3.2 (A) of the JOA is hereby amended, so that the list of Participating Interests and paying interests of the parties therein shall read as follows:
- | | Participating | Paying |
|----------|---------------|--------|
| Anadarko | 30.875% | 34.31% |
| GNPC | 10% | 0% |
| KG | 3.5% | 3.88% |
| Kosmos | 30.875% | 34.31% |
| Sabre | 1.854% | 2.06% |
| Tullow | 22.896% | 25.44% |
- (5) KG shall be responsible for payment in a timely fashion of all and any stamp duties and taxes (including interest, penalties and/or fines) payable on or in respect of the assignment of the Subject Interest including, for the avoidance of doubt, the execution and enforcement of this Novation Agreement, and shall indemnify each of the other Parties hereto in respect of any costs (including reasonable legal costs), expenses, loss or damage occasioned by its failure to pay such stamp duty and taxes or any delay in paying such stamp duty and taxes.
- (6) This Novation Agreement shall be treated as constituting all actions, consents, confirmations, agreements and undertakings required of the Parties under the Related Documents in respect of the assignment of the Subject Interest.

- (7) Except as expressly provided in this Novation Agreement, all other provisions of the Related Documents shall remain in full force and effect and binding on the parties thereto, insofar as the same are in force and effect and binding on those parties immediately prior to the Effective Date.
- (8) Each reference in this Novation Agreement (including the Recitals) to the Related Documents shall be construed and have effect as a reference to the same as it may have been supplemented and/or amended and/or extended and/or novated prior to the date hereof.
- (9) For the purpose of service of notices under the terms of Article 17 of the JOA and Article 27 of the Petroleum Agreement, the contact details of KG are:

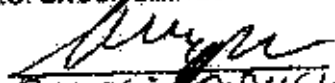
KG Group Limited
 Private Mail Bag CT 123
 Cantonments - Accra, Ghana
 Attention: George Owusu
 Email: georgeyawowusu@yahoo.com
 Telephone: +233 244 339 059

Copy to: Barnes & Cascio LLP
 Fax: +1 281 875 0255
 Email: james@barnescascio.com
 Telephone: +1 281 875 0250

- (10) This Novation Agreement may be executed in any number of counterparts with the same effect as if the signatures on the counterparts were upon a single engrossment of this Novation Agreement provided that this Novation Agreement shall not be effective until all the counterparts have been executed.
- (11) Nothing in this Novation Agreement shall confer on any third party any right to enforce any term of this Novation Agreement.
- (12) Unless otherwise defined in this Novation Agreement, words and expressions defined in the JOA shall have the same meaning when used in this Novation Agreement.
- (13) This Novation Agreement is governed by and shall be construed in accordance with the laws of England.

IN WITNESS WHEREOF this Novation Agreement has been executed for and on behalf of the Parties.

THE E.O. GROUP LIMITED

By: 
 Name: George Owusu
 Title: Managing Partner
 Date: FEB 2 2009

THE E.O. GROUP LIMITED

By: [Signature]
Name: GEORGE ODUSU
Title: Managing Partner
Date: FEB 5 2009

ANADARKO WCTP COMPANY

By: [Signature]
Name: Robert K. Reeves
Title: Director & Senior VP & Secretary
Date: February 9, 2009



KOSMOS ENERGY GHANA HC

By: [Signature]
Name: Andy Markman
Title: Asset Manager
Date: Feb. 5, 2009

SABRE OIL & GAS HOLDINGS LIMITED

By: [Signature]
Name: DAVID MORTON
Title: DIRECTOR
Date: 6th FEB 2009

TULLOW GHANA LIMITED

By: [Signature]
Name: GRAHAM MARTIN
Title: DIRECTOR
Date: 10/2/09

ATTACHED TO AND MADE PART OF THE UNITIZATION AND UNIT OPERATING AGREEMENT BY AND BETWEEN GHANA NATIONAL PETROLEUM CORPORATION, TULLOW GHANA LIMITED, KOSMOS ENERGY GHANA HC, ANADARKO WCTP COMPANY, SABRE OIL & GAS HOLDINGS LIMITED, AND EO GROUP LIMITED
(THE "AGREEMENT")

EXHIBIT "W"
PRE-UNITIZATION AGREEMENT

JJA
BN
M
S

**JUBILEE FIELD UNIT GHANA
PRE-UNITIZATION AGREEMENT**

THIS AGREEMENT is made this 20th day of *AUGUST* 2008

BETWEEN:

Kosmos Energy Ghana HC a Cayman Islands company having its registered office at P.O. Box 1350 GT, Clifton House, 65 Fort Street, George Town, Grand Cayman, Cayman Islands ("Kosmos");

Tullow Ghana Limited a company incorporated under the laws of Jersey having its principal office address at Fred. Roeskestraat 123, 1076 EE Amsterdam, the Netherlands ("Tullow");

Anadarko WCTP Company a Cayman Islands company having its office at 1201 Lake Robbins Drive, The Woodlands, Texas ("Anadarko");

Sabre Oil and Gas Limited a company incorporated under the laws of Scotland having its registered office at 4 Rubislaw Place, Aberdeen, Scotland AB10 1XN ("Sabre"); and

E. O. Group Limited a Ghanaian company having its office at PMB CT 123, Cantonments, Accra, Ghana ("EO").

WHEREAS:

- (A) The above entities ("Parties") are party as "Contractor" to one or both of the Petroleum Agreements in respect of the West Cape Three Points Contract Area and the Deepwater Tano Contract Area, offshore the Republic of Ghana.
- (B) Exploration drilling and geological and geophysical studies have established the existence of a geological petroleum accumulation underlying the Deepwater Tano Contract Area and West Cape Three Points Contract Area, such accumulation being designated as the "Jubilee Field."
- (C) The Parties wish to provide for the development as a unit of the Jubilee Field, in accordance with the terms set herein.

NOW THEREFORE IN CONSIDERATION OF THE MUTUAL PROMISES MADE HEREUNDER, THE PARTIES AGREE AS FOLLOWS:

1.0 Definitions

"Business Day" means a day, other than Saturday or Sunday, on which the banks in Dallas, Texas, London, England and Accra, Ghana are customarily open for business.

"Contract Area" means either the Deepwater Tano Contract Area or the West Cape Three Points Contract Area and "Contract Areas" means both of them.

"Development Plan" has the meaning defined in Clause 1.26 and 1.25 of the WCTP PA and the Tano Deep PA respectively.

"Effective Date" means 22 February 2008.

"Gas Commercialisation Plan" means the strategies and recommendations for the optimal solutions for utilizing and commercializing gas produced from the Unit Area, including securing any necessary commercial agreements.

"GNPC" means the Ghana National Petroleum Corporation.

"Government" means the Government of the Republic of Ghana.

"IPT" shall have the meaning given in Clause 3.9.

"IOC" shall have the meaning given in Clause 3.1.

"Jubilee Field" has the meaning given in Recital B hereto.

"Jubilee Field Unit" means the hydrocarbon pools (Upper Mahogany and Lower Mahogany) encountered in the Mahogany-1 and Hyedua -1 wells and extensions of such pools and any other pools or reservoirs confirmed by further drilling as being in pressure communication with Upper Mahogany and Lower Mahogany underlying parts of the Contract Areas and lying within the Unit Area as may be subsequently amended, in accordance with this Agreement.

"Party" means a party to this Agreement and shall include its lawful successors and permitted assigns.

"Passmark Vote" means the affirmative vote of two or more Parties which are not Affiliates (as defined in the WCTP JOA) then having collectively at least eighty percent (80%) of the Unit Interests.

"Tano Deep JOA" means the Joint Operating Agreement between Tullow, Sabre, Kosmos and Anadarko governing the Deepwater Tano Contract Area dated 15 August 2006 as subsequently amended or novated.

"Tano Deep PA" means the Petroleum Agreement between the Government, GNPC, Tullow, Sabre, Kosmos and Anadarko in respect of the Deepwater Tano Contract Area dated 10 March 2006.

"Technical Operator" means a Party or Parties (other than the Unit Operator) to which the IOC has delegated certain activities related to the Jubilee Field Unit and/or the Unit Area.

"Tract Participation" means in respect of a Contract Area the percentage of the Jubilee Field Unit which falls within such Contract Area.

"Unit Account" means the joint account established by the Parties and maintained by the Unit Operator for all costs, expenses incurred in respect of and revenues attributed to the Unit Area.

"Unit Area" means the area delineated by the co-ordinates in Schedule 1 attached hereto, subject to amendment as provided in Clause 2.5.

"Unit Interest" means the unitized percentage interest of a Party in the Unit Area (prior to application of GNPC's carried interests under Articles 2.4 and 2.6 of the WCTP PA and Articles 2.4 and 2.5 of the Tano Deep PA respectively) as agreed at the date of this Agreement and set out in Schedule 2 attached hereto; and as may be subsequently amended.

"Unit Operator" means the Party appointed hereunder as unit operator of the Jubilee Field Unit and the Unit Area.

"UOA" means the Unitization and Unit Operating Agreement to be entered into in respect of the Jubilee Field and the Unit Area in accordance with this Agreement.

"WCTP JOA" means the Joint Operating Agreement between the Parties governing the West Cape Three Points Contract Area with an effective date of 22 July 2004 as subsequently amended and/or novated.

"WCTP PA" means the Petroleum Agreement between the Government, GNPC, Tullow, Sabre, Kosmos, Anadarko and EO in respect of West Cape Three Points Block Offshore Ghana with an effective date of 22 July 2004.

2.0 Scope and Unitization

- 2.1 This Agreement establishes principal terms and conditions regarding the unitization and development of the Jubilee Field. The Parties shall use all reasonable endeavors to agree and enter into a fully termed UOA which will, *inter alia*, embody the principles set out herein, as soon as reasonably practicable following the Effective Date, but in any event shall agree such fully termed UOA prior to submission of the Development Plan for GNPC and Government consent.
- 2.2 It is the intention of the Parties that their interests in each of the Contract Areas shall be unitized in accordance with and made subject to the provisions of this Agreement insofar as said interests pertain to the Jubilee Field and the Unit Area.
- 2.3 Nothing contained herein shall, or shall be construed in such a manner as to, imply or result in the transfer to any Party of any other Party's title to or interest in or rights under any of the Contract Areas.
- 2.4 Except as expressly provided in this Agreement, the Tano Deep JOA and the WCTP JOA shall continue in force and effect and shall apply to all operations in each respective Contract Area, other than those in respect of the Jubilee Field and Unit Area. Until such time as a UOA is entered into by the Parties and approved by GNPC and the Government, Kosmos and Tullow, as operators under the WCTP JOA and Tano Deep JOA, respectively, shall continue to make such filings and deliver such reports to GNPC and the Minister of Energy and take such other actions as may be required by

the provisions of the WCTP PA and Tano Deep PA as presently in effect.

- 2.5 Prior to execution of the UOA, a Passmark Vote shall be required to amend the Unit Area to incorporate extensions of the Jubilee Field confirmed by further drilling and/or gathering or interpretation of additional well or seismic data. After execution of the UOA, amendment of the Unit Area shall require the unanimous consent of the Parties.
- 2.6 Without prejudice to the generality of Clause 2.5, the JOC shall review the Unit Area after receipt of the results of the Mahogany-2 well. If the JOC determines that the Mahogany-2 well is in pressure communication with the Jubilee Field, the Unit Area shall be amended accordingly and, subject to the provisions of Clause 5.2, the block Tract Participations set out in Schedule 2 attached hereto shall remain unchanged. If the JOC determines that the Mahogany-2 well is not in pressure communication with the Jubilee Field, then the Unit Area shall not be amended but the block Tract Participations set out in Schedule 2 attached hereto shall be amended to the following (and the Unit interests shall be recalculated accordingly): Deepwater Tano Contract Area - 65%; West Cape Three Points Contract Area - 35%. In such event the Unit Costs shall be re-allocated in accordance with the procedure set out in Clause 5.2.

3.0 Roles and Responsibilities

- 3.1 To provide overall supervision and direction of the Jubilee Field and of the Unit Area, the Jubilee Operating Committee (the "JOC") is established and shall be composed of representatives of each Party holding a Unit Interest. Each Party shall appoint one (1) representative and one (1) alternate representative to serve on the JOC. Each Party shall as soon as possible after the date of this Agreement give notice in writing to the other Parties of the name and address of its representative and alternate representative to serve on the JOC. Each Party shall have the right to change its representative and alternate at any time by giving notice to such effect to the other Parties. The representative of a Party, or in his absence his alternate representative, shall be authorized to represent and bind such Party with respect to any matter which is within the powers of the JOC and is properly brought before the JOC. Each such representative shall have a vote equal to the Unit Interest of the Party such person represents. Each alternate representative shall be entitled to attend all JOC meetings but shall have no vote at such meetings except in the absence of the representative for whom he is the alternate. The JOC shall, subject to the terms of this Agreement, ensure the coordination and progression of all Jubilee Field and Unit Area appraisal, development and production operations. In so doing, the JOC shall oversee the Unit Operator and shall function as would an operating committee under an international joint operating agreement. The JOC shall meet initially at least once every month and as and when otherwise requested by the Parties in accordance with Article 3.3. The JOC meetings will rotate between Dallas and London. All matters to be determined or approved by the JOC shall be determined or approved by the Passmark Vote and, upon such determination or approval, shall be conclusive and binding on all the Parties. In addition to the representative and alternate representative, each Party may also bring to any JOC meetings such technical and other advisors as it may deem appropriate. The JOC shall have the following management roles and responsibilities:

- 3.1.1 Overall supervision and direction of the operations in the Unit Area.
3.1.2 Authorize the operations in the Unit Area.
3.1.3 The power to establish subcommittees.

- 3.1.4 Approval of annual work programs and budgets for the Unit Area and any amendments to same.
- 3.1.5 Approval of certain APE's and overexpenditures.
- 3.1.6 Approval of delegation of certain Jubilee Field and/or Unit Area activities to a Party or Parties to act as Technical Operator(s);
- 3.1.7 Reviewing performance of the Unit Operator and Technical Operator(s) and proposing necessary performance improvement measures.

3.2 The JOC hereby establishes the subcommittees set out below. The function of each subcommittee is to review and examine the matter assigned to it and to report to the JOC with proposals for how such matter should be managed and governed for the optimum development of the Jubilee Field and the Unit Area. All Parties shall have the right to be represented on each subcommittee. Each subcommittee shall be led by the Party indicated below and shall include as a minimum representation from each of Tullow, Kosmos and Anadarko. Each of the subcommittees shall meet prior to the first JOC meeting and shall provide a report of such initial meeting to the JOC.

Subcommittee	Leader
IPT	Kosmos
Accounting Procedures	Tullow
Drilling + Production Operations	Tullow
Contract + Procurement	Kosmos
Gas Commercialisation	Tullow
Financing	Tullow

The above provisions shall be included and expanded as necessary in the UOA. The Chairman of the JOC shall be appointed by the Unit Operator.

- 3.3 In addition to the regular monthly meetings, the Unit Operator may call a meeting of the JOC by giving notice to the Parties at least fifteen (15) days in advance of such meeting. Any Party other than the Unit Operator may request a meeting of the JOC by giving notice to all the other Parties. Upon receiving such request, the Unit Operator shall call such meeting for a date not less than five (5) Business Days nor more than ten (10) Business Days after receipt of the request. The notice periods above may only be waived with the unanimous consent of all the Parties.
- 3.4 Each notice of a meeting of the JOC as provided by the Unit Operator shall contain the date, time and location of the meeting and an agenda of the matters and proposals to be considered and/or voted upon. A Party, by notice to the other Parties given not less than two (2) Business Days prior to a meeting, may add additional matters to the agenda for a meeting. On the request of a Party, and with the unanimous consent of all Parties, the JOC may consider at a meeting a proposal not contained in such meeting agenda.
- 3.5 The chairman of the JOC shall appoint a secretary who shall make a record of each proposal voted on and the results of such voting at each JOC meeting. Each representative shall sign and be provided a copy of such record at the end of such meeting and it shall be considered the final record of the decisions of the JOC.
- 3.6 The secretary shall provide each Party with a copy of the minutes of the JOC meeting.

within five (5) Business Days after the end of the meeting. Each Party shall have five (5) Business Days after receipt of such minutes to give notice of its objections to the minutes to the secretary. A failure to give notice specifying objection to such minutes within said five (5) Business Day period shall be deemed to be approval of such minutes. In any event, the votes recorded under Clause 3.5 shall take precedence over the minutes described above.

3.7 In lieu of a meeting, any Party may submit any proposal to the JOC for a vote by notice. The proposing Party or Parties shall notify the Unit Operator who shall give each Party's representative notice of the proposal so submitted. Each Party shall communicate its vote by notice to the Unit Operator and the other Parties within one of the following appropriate time periods after receipt of the Unit Operator's notice:

(a) twenty four (24) hours in the case of operations which involve the use of a drilling rig that is standing by in the Unit Area.

(b) ten (10) Business Days in the case of all other proposals.

Except in the case of Clause 3.7(a), any Party other than the Unit Operator may by notice delivered to all Parties within five (5) Business Days of receipt of Unit Operator's notice request that the proposal be decided at a meeting rather than by notice. In such an event, that proposal shall be decided at a meeting duly called for that purpose. Any Party failing to communicate its vote in a timely manner shall be deemed to have voted against such proposal. If a meeting is not requested, then at the expiration of the appropriate time period, the Unit Operator shall give each Party a confirmation notice stating the tabulation and results of the vote.

3.8 The Parties hereby appoint Tullow as Unit Operator with effect from the Effective Date in respect of all activities relating to the Jubilee Field and the Unit Area. Without prejudice to the generality of the foregoing, the Unit Operator shall establish the work teams and activities as described more fully below. Furthermore, the Unit Operator shall act as Chairman and administrator of the JOC; receive and be responsible for periodic co-ordination of all ongoing work programme, budget and other operational data relating to the Jubilee Field and Unit Area activities from the Technical Operator(s) and the IPT; be responsible for periodic submission and reporting of all Jubilee Field and Unit Area programme, budget and other operational data to the JOC; and provide production and other necessary data reporting to the operators of the Tano Deep FA and WCTP PA.

The Unit Operator shall establish the following work teams which shall include personnel and consultants seconded from or nominated by Kosmos and Anadarko. Subject to this Agreement, these work teams will include but not be limited to a Ghana operating team, a production operations team and a gas commercialization team and shall conduct the following in respect of the appraisal, development and production operations on the Unit Area:

Ghana operating team

3.8.1 Appraisal and development drilling, testing and completion within the Unit Area.

3.8.2 Logistics and local procurement.

- 3.8.3 Shore base operations.
- 3.8.4 Dispatch (marine and air).
- 3.8.5 Importation and customs.
- 3.8.6 Local permits, filings & GNPC liaison regarding same.
- 3.8.7 Warehousing and supply yard.
- 3.8.8 Community Relations & Services as Unit Area representative.
- 3.8.9 Overall in-country shore base support of the development activities (including facilities installation).
- 3.8.10 Overall support of the drilling and production activities.
- 3.8.11 Provide services (and appropriate reporting) as requested by an operator of the Tano Deep PA or WCTP PA for drilling and other operations outside the Unit Area; with the costs of such services to be invoiced to the respective operator, provided that the Unit Operator may decline to provide such services in the event that, acting reasonably, it considers that to do so would have a material adverse effect on Jubilee Field and/or Unit Area operations. The provision of services by the Unit Operator to the operator of the Tano Deep PA or WCTP PA shall be subject to agreement on appropriate contractual terms.

Production operations team

- 3.8.12 Production operations within the Unit Area.
- 3.8.13 Onshore and Offshore Facilities operations and maintenance.
- 3.8.14 Scheduling of flake activities.
- 3.8.15 Production reporting to the operators of the Tano Deep PA and WCTP PA.
- 3.8.16 Production Forecasting.
- 3.8.17 Planning and scheduling workovers and other remedial well operations.

Gas commercialisation team

3.8.18 Lead the gas commercialization JOC subcommittee to develop the Gas Commercialisation Plan. The JOC shall determine all decisions in respect of the Gas Commercialisation Plan.

3.9 The Parties hereby appoint Kosmos as Technical Operator for preparation of the development and execution of the field facilities for the Jubilee Field. Kosmos shall establish an Integrated Project Team ("IPT") to carry out such development activities. For an interim period, Kosmos and Anadarko will share joint responsibility as co-team leaders for the functioning of the IPT. The IPT shall include personnel seconded from or nominated by Anadarko and Tullow. For six months from the Effective Date, the IPT shall have two co-Directors; one from Kosmos (D. McLaughlin) and one from Anadarko (D. Vardeman). On termination of such period of six months, such Anadarko position shall terminate. While Kosmos is acting as Technical Operator in respect of the IPT, the IPT shall be based in Dallas, Texas in offices provided for the IPT by Kosmos. Subject to this Agreement, and unless otherwise directed by the JOC, the IPT shall conduct all appropriate activities, in order to meet the safety, quality, schedule, cost and regulatory objectives, including, without limitation:

- 3.9.1 Evaluate and characterize the subsurface resource and develop the optimum depletion plan.
- 3.9.2 Planning and selection of locations for appraisal drilling, testing and completion within the Unit Area.

- 3.9.3 Planning and selection of locations of all development drilling within the Unit Area.
- 3.9.4 Front end engineering and design work for the Unit Area facilities.
- 3.9.5 Submit a proposed Development Plan to the Unit Operator who shall promptly submit the same to the JOC for review and approval, incorporating a project budget and first oil date for the Jubilee Field. The Unit Operator shall allow the Parties no less than 21 days to make a full evaluation of all data in order to make an informed decision on the proposed Development Plan.
- 3.9.6 Detailed engineering and design work for the Unit Area facilities.
- 3.9.7 Providing development support to the Unit Operator's gas commercialization team and performing the design and execution of the Gas Commercialization Plan approved by the JOC.
- 3.9.8 Organize and conduct the procurement and tender processes for the Jubilee Field facilities.
- 3.9.9 Manage the fabrication, inspection, testing, installation and commissioning of all Jubilee Field facilities;
- 3.9.10 Co-ordinate with the Unit Operator all activities and interfaces between the Unit Area drilling and field facilities with respect to the activities in Clauses 3.8.9 and 3.8.10; and
- 3.9.11 Provide all work programme, budget and other operational data relating to its activities to the Unit Operator for co-ordination prior to submission to the JOC.

Further, the IPT shall review and consider potential extensions of the Jubilee Field and, in so doing, shall review and consider all available seismic and well information in formulating development plan options that include areas that may later be incorporated in the Unit Area. All costs of the IPT shall be Unit Costs and shall be charged to the Unit Account in accordance with the Accounting Procedure in the Tano Deep JOA. The IPT's activities shall cease on installation of all production facilities required for full field development of the Jubilee Field unless the JOC approves further activities to be carried out by the IPT.

- 3.10 Each of Tullow, Kosmos and Anadarko shall have the rights, as set out herein, to nominate and second qualified personnel to fill certain positions in the organizations of the Unit Operator and Technical Operator(s) appointed pursuant to this Agreement and/or the UOA. Each of Tullow, Kosmos and Anadarko shall be granted secondment positions which are of appropriate influence and seniority to reflect such Party's position in the Jubilee Field development. The Parties agree that GNPC shall be granted appropriate secondment positions in the organizations of the Unit Operator and the Technical Operators and that such positions shall be consistent with the obligations relating to GNPC secondment set out in the Tano Deep PA and the WCTP PA. The specific secondments and positions contemplated by this Clause 3.10 will be approved by the JOC.
- 3.11 For the avoidance of doubt, Kosmos and Tullow shall, for all operations other than those in respect of the Unit Area, retain operatorship of the West Cape Three Points Contract Area and Deepwater Tano Contract Area, respectively, subject to the applicable provisions of the WCTP JOA and Tano Deep JOA. Without prejudice to the generality of the foregoing, exploration and appraisal drilling on the Contract Areas outside of the Unit Area shall be managed and conducted by the respective operator under the joint operating agreement for such area.

4.0 Incorporation of WCTP JOA Terms

- 4.1 Until such time as a UOA is agreed by the Parties and subject to this Agreement, the provisions of the WCTP JOA (with the exception of the Accounting Procedure) shall apply, *mutatis mutandis*, to govern operations on the Jubilee Field Unit and the Unit Area, provided that no Exclusive Operations on the Jubilee Field Unit and/or in the Unit Area pursuant to Article VII of the WCTP JOA shall be permitted during the term of this Agreement. The Accounting Procedure in the Tano Deep JOA shall apply, *mutatis mutandis*, to govern costs and accounting on the Jubilee Field Unit and the Unit Area. In the event of any conflict between this Agreement, on the one hand, and the WCTP JOA or the Accounting Procedure in the Tano Deep JOA, on the other, this Agreement shall prevail to the extent of such conflict.
- 4.2 Without prejudice to the generality of the foregoing, in respect of any Party acting as Unit Operator or Technical Operator or carrying out activities delegated to it by the JOC pursuant to this Agreement, the same terms in Articles 4.6(A) to (E) of the WCTP JOA shall apply *mutatis mutandis* to such Party, its Affiliates and its officers and directors as if such Party were the "Operator" as defined in the WCTP JOA, provided that, for purposes of this Clause 4.2, the term "Participating Interests" as used in said Articles 4.6(A) through (E) shall be deemed to read "Unit Interests."
- 4.3 For the avoidance of doubt, the Operator removal provisions of Article 4.10, and the appointment of successor Operator provisions of Article 4.11, of the WCTP JOA shall apply, *mutatis mutandis*, to the Unit Operator and any Technical Operator appointed pursuant to this Agreement, provided that, for purposes of this Clause 4.3, the term "Participating Interest" as used in said Article 4.10 shall be deemed to read "Unit Interest", (b) the term "Operating Committee" as used in said Articles 4.10 and 4.11 shall be deemed to read "JOC"; and (c) the applicable passmark vote of the Parties voting in respect of removal or appointment of an Operator shall be sixty-seven percent (67%).
- 4.4 For the avoidance of doubt, in no event shall any Non-Operator be required to act as Unit Operator or a Technical Operator or to carry out any activities proposed to be delegated to it by the JOC pursuant to this Agreement (whether pursuant to Clause 3.1.6, Clause 4.2 or otherwise) without such Non-Operator's express written approval.

5.0 Costs and Work Programs

- 5.1 The Parties agree to fund all Jubilee Field Unit and Unit Area appraisal and development costs incurred after December 31, 2007, in proportion to their Unit Interests ("Unit Costs"). The Unit Account shall be maintained by the Unit Operator who shall account for all Unit Costs. Subject to Clause 5.2, the Unit Costs shall be allocated first to each of the WCTP PA and the Deep Tano PA (based on the tract participations of each block set out in Schedule 2 attached hereto), and to the respective joint accounts under the WCTP JOA and the Tano Deep JOA. The operators of each respective JOA shall account and invoice each Party for their Participating Interest (as defined in such JOAs) share of the Unit Costs.
- 5.2 A redetermination of the tract participations, Unit Interests and reallocation and reimbursement of Unit Costs shall occur not later than the earlier of (i) 31 December 2008 or (ii) the date six months after the execution date of the UOA. If such

redetermination occurs prior to execution of the UOA, and in the event that the Parties agree tract participations for each block which are different to those set out in Schedule 2 attached hereto, then as soon as reasonably practicable following such agreement which shall include the effective date for the redetermination ("Redetermination Date") the Unit Costs paid by each Party prior to the Redetermination Date shall be re-allocated as follows. The Unit Operator shall furnish each Party a statement showing (a) each Party's contributions to Unit Costs up to the Redetermination Date, (b) each Party's revised Unit Interest share of such contributions by all Parties, and (c) the amount of each Party's aggregate overpayment or underpayment to the Unit Account based upon the difference between its revised Unit Interest share of contributions and its actual contributions. Each Party's actual and revised contributions to the Unit Account shall, for purposes of this Clause 5.2, be increased by an amount equal to the interest that would accrue on such contributions at the Agreed Interest Rate (as defined in the Tano Deep JOA), calculated in each case from the last day of the calendar month in which each such contribution was made up to the effective date of the redetermination. Each Party owing an aggregate underpayment, based upon such revised contributions provided for above, shall pay that amount in full to the Unit Operator within ten (10) calendar days after receipt of the Unit Operator's statement and, upon receipt of any such amounts, the Unit Operator shall promptly pay the amounts owed to the Parties that have made an aggregate overpayment in proportion to the aggregate overpayment by each.

5.3 The relevant Party or Parties who have been delegated Jubilee Field Unit and Unit Area activities by the JOC shall prepare work programs and budgets (the "Work Programs") covering all appraisal and development work to be undertaken. The Work Programs shall be provided to the Unit Operator who shall be responsible for their co-ordination and submission to the JOC for approval in accordance with the Passmark Vote.

5.4 Kosmos and Tullow, as operators under the WCTP JOA and the Tano Deep JOA, respectively, shall continue to prepare work programs and budgets for the operations for such Contract Areas which are outside the Unit Area.

6.0 UOA

In preparing and negotiating the UOA, the Parties shall use as a base the AIPN 2006 Model Form International Unitization and Unit Operating Agreement. The UOA shall include procedures for redetermination of tract participations between the West Cape Three Points Contract Area and Deepwater Tano Contract Area.

7.0 Common Information Sharing

The Parties to each of the Tano Deep JOA and the WCTP JOA agree, subject to being able to obtain any requisite third-party consents, to the mutual disclosure and exchange of information which may relate to the Jubilee Field Unit and the Unit Area between each other for the purposes of progressing the appraisal and development of the Jubilee Field Unit and Unit Area pursuant to this Agreement. The Parties agree that all such information shall be kept confidential in accordance with the provisions of the WCTP JOA. A Common Data Base shall be established and maintained, for the benefit of the owners of Unit Interests during the term of this Agreement, for the inclusion of all well, field technical data and all other relevant data which has been accumulated

under the Tano Deep JOA and WCTP JOA and within the Jubilee Field Unit and the Unit Area.

8.0 Assignment

In the event a Party assigns all or part of its rights and obligations in respect of a Contract Area in accordance with the provisions of the Tano Deep PA and Tano Deep JOA or WCTP PA and WCTP JOA, as appropriate, such Party shall concurrently assign to the same assignee a corresponding undivided interest in such Party's interest in and rights and obligations under this Agreement. Likewise, no Party shall assign all or part of its rights and obligations under this Agreement without assigning the corresponding interest in the Contract Area(s) in accordance with the provisions of the Tano Deep PA and Tano Deep JOA or WCTP PA and WCTP JOA, as appropriate. No such assignment shall be effective until the intended assignee has expressly undertaken in writing to be bound by the terms of this Agreement.

In the event that, prior to cessation of the IPT's activities in respect of the Jubilee Field Unit and the Unit Area, either the Unit Operator or a Technical Operator (the "Transferring Party") assigns all or part of its interest in respect of a Contract Area or undergoes a change of control (where "control" shall have the meaning set out in the definition of Affiliate within the WCTP JOA), then any of Tullow, Kosmos or Anadarko (other than the Transferring Party) shall have the option to require that the Unit Operator or Technical Operator resign its position. In such event, those of Tullow, Kosmos or Anadarko who are not the Transferring Party shall determine, by agreement solely among them, after consultation with other Parties, which of them should fill the Unit Operator or Technical Operator position as applicable.

9.0 Relationship of the Parties

The rights, duties, obligations and liabilities of the Parties under this Agreement shall be individual, not joint or collective. It is not the intention of the Parties to create, nor shall this Agreement be deemed or construed to create, a mining or other partnership, joint venture or association or (except as explicitly provided in this Agreement) a trust. This Agreement shall not be deemed or construed to authorize any Party to act as an agent, servant or employee for any other Party for any purpose whatsoever except as explicitly set forth in this Agreement. In their relations with each other under this Agreement, the Parties shall not be considered fiduciaries except as expressly provided in this Agreement.

10.0 Warranties as to no Payments, Gifts and Loans; Conflicts of Interest

The provisions of Articles 20.1 and 20.2 of the WCTP JOA are incorporated herein by reference as fully as if such provisions were set forth herein in full, and shall apply in respect of all matters which are the subject of this Agreement.

11.0 Public Announcements

The provisions of Article 20.3 of the WCTP JOA shall apply, *mutatis mutandis*, to govern any public announcements and statements regarding this Agreement and operations in the Jubilee Field Unit or Unit Area.

12.0 Successors and Assigns

Subject to the limitations on assignment contained in Clause 8.0, this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties.

13.0 Waiver

No waiver by any Party of any one or more defaults by another Party in the performance of this Agreement shall operate or be construed as a waiver of any future default or defaults by the same Party, whether of a like or of a different character. Except as 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.

14.0 Severance of Invalid Provisions

If and for so long as any provision of this Agreement shall be deemed to be judged invalid for any reason whatsoever, such invalidity shall not affect the validity or operation of any other provision of this Agreement except only so far as shall be necessary to give effect to the construction of such invalidity, and any such invalid provision shall be deemed severed from this Agreement without affecting the validity of the balance of this Agreement.

15.0 Modifications

Except as provided by Clause 14.0, there shall be no modification of this Agreement except by written consent of all Parties.

16.0 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 Clause.

17.0 Singular and Plural

Reference to the singular includes a reference to the plural and vice versa.

18.0 Gender

Reference to any gender includes a reference to all other genders.

19.0 Counterpart Execution

This Agreement may be executed in any number of original counterparts and each such counterpart shall be deemed an original Agreement for all purposes; provided no Party shall be bound to this Agreement unless and until all Parties have executed a counterpart. For purposes of assembling all counterparts into one document, the Unit Operator is authorized to detach the signature page from one or more counterparts and,

after signature thereof by the respective Party, attach each signature page to a counterpart.

20.0 Entirety

This Agreement is the entire agreement of the Parties with respect to the subject matter contained herein and supersedes all prior understandings and negotiations of the Parties.

21.0 Rights of Third Parties

Without prejudice to the rights of any indemnitee by virtue of Clause 4.2, no person other than the Parties shall have any rights under this Agreement or be considered a third party beneficiary hereof and no third party shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

22.0 Applicable Law

This Agreement shall be governed by, construed, interpreted and applied in accordance with the laws of England and Wales, excluding any choice of law rules which would refer the matter to the laws of another jurisdiction.

23.0 Dispute Resolution

Any dispute, controversy or claim arising out of or in relation to or in connection with this Agreement or the operations carried out under this Agreement including without limitation any dispute as to the construction, validity, interpretation, enforceability or breach of this Agreement, shall be exclusively and finally settled by arbitration in accordance with Article 18.2 of the WCTP JOA.

24.0 Termination

Unless otherwise agreed by the Parties, this Agreement shall terminate on the date of execution of the definitive fully termed UOA.

25.0 Notices

Except as otherwise specifically provided, 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 any electronic means of transmitting written communication, which provides written confirmation of complete transmission, and addressed to such Parties as designated below. Oral communication does not constitute notice for purposes of this Agreement, and telephone numbers for the Parties are listed below as a matter of convenience only. The originating 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. The second or any responsive notice shall be deemed delivered when received. "Received" for purposes of this Clause 25.0 shall mean actual delivery of the notice to the address of the Party to be notified specified in accordance with this Clause 25.0. 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 at another address, by giving written notice thereof to all other Parties.

Kosmos

Kosmos Energy Ghana HC
c/o Kosmos Energy, LLC
8401 North Central Expressway; Suite 280
Dallas, Texas 75225 USA
Attn: General Counsel
Fax: +1 214 363 9024

Tullow

Tullow Ghana Limited
c/o 21st Floor Metropolitan Centre
7 Coen Steytler Ave
Cape Town 8001 South Africa
Attn: Business Unit Manager – Gulf of
Guinea
Fax: +27 21 400 7660

Anadarko

Anadarko WCTP Company
1201 Lake Robbins Drive
The Woodlands, Texas 77380 USA
Attn: Manager, Int'l Negotiations
Fax: +1 832 636-8023

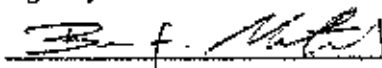
Sabre

Sabre Oil and Gas Limited
4 Rubislaw Place,
Aberdeen,
Scotland, AB10 1XN
Attn: Andrew MacDonald
Fax: 01224 649 700

EO

E. O. Group Limited
Private Mail Bag CT 123
Cantonments – Accra, Ghana
Attn: Mr. George Y. Owusu
Fax: (001) 281 470 9300

Duly authorized signatory for and on behalf of **Kosmos Energy Ghana HC**

By: 

Name: BRIAN F. MAXTED

Date: _____

Duly authorized signatory for and on behalf of **Tullow Ghana Limited**

By: _____

Name: _____

Date: _____

Duly authorized signatory for and on behalf of **Anadarko WCTP Company**

By: _____

Name: _____

Date: _____

that copies of all such notices be directed to another person at another address, by giving written notice thereof to all other Parties.

Kosmos

Kosmos Energy Ghana HC
c/o Kosmos Energy, LLC
8401 North Central Expressway, Suite 280
Dallas, Texas 75225 USA
Attn: General Counsel
Fax: +1 214 363 9024

Tullow

Tullow Ghana Limited
c/o 2nd Floor Metropolitan Centre
7 Coen Steytler Ave
Cape Town 8001 South Africa
Attn: Business Unit Manager – Gulf of
Guinea
Fax: +27 21 400 7660

Anadarko

Anadarko WCTP Company
1201 Lake Robbins Drive
The Woodlands, Texas 77380 USA
Attn: Manager, Int'l Negotiations
Fax: +1 832 636-8023

Sabre

Sabre Oil and Gas Limited
4 Rubislaw Place,
Aberdeen,
Scotland, AB10 1XN
Attn: Andrew MacDonald
Fax: 01224 649 700

EO

E. O. Group Limited
Private Mail Bag CT 123
Cantonments – Accra, Ghana
Attn: Mr. George Y. Owusu
Fax: (001) 281 470 9300

Duly authorized signatory for and on behalf of Kosmos Energy Ghana HC

By: _____
Name: _____
Date: _____

Duly authorized signatory for and on behalf of Tullow Ghana Limited

By: *Paul MacD*
Name: PAUL MACDONALD
Date: 13/03/08

Duly authorized signatory for and on behalf of Anadarko WCTP Company

By: _____
Name: _____
Date: _____

that copies of all such notices be directed to another person at another address, by giving written notice thereof to all other Parties.

Kosmos

Kosmos Energy Ghana HC
c/o Kosmos Energy, LLC
8401 North Central Expressway, Suite 280
Dallas, Texas 75225 USA
Attn: General Counsel
Fax: +1 214 363 9024

Tullow

Tullow Ghana Limited
c/o 21st Floor Metropolitan Centre
7 Coen Steydler Ave
Cape Town 8001 South Africa
Attn: Business Unit Manager – Gulf of
Guinea
Fax: +27 21 400 7660

Anadarko

Anadarko WCTP Company
1201 Lake Robbins Drive
The Woodlands, Texas 77380 USA
Attn: Manager, Int'l Negotiations
Fax: +1 832 636-8023

Sabre

Sabre Oil and Gas Limited
4 Rublelaw Place,
Aberdeen,
Scotland, AB10 1XN
Attn: Andrew MacDonald
Fax: 01224 649 700

EO

E. O. Group Limited
Private Mail Bag CT 123
Centonments – Accra, Ghana
Attn: Mr. George Y. Owusu
Fax: (001) 281 470 9300

Duly authorized signatory for and on behalf of **Kosmos Energy Ghana HC**

By: _____
Name: _____
Date: _____

Duly authorized signatory for and on behalf of **Tullow Ghana Limited**

By: _____
Name: _____
Date: _____

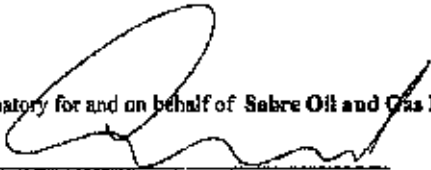
Duly authorized signatory for and on behalf of **Anadarko WCTP Company**

By: Charles E. Provost
Name: Charles E. Provost
Date: March 13, 2008



Duly authorized signatory for and on behalf of Sabre Oil and Gas Limited

By:



Name:

ANDREW MACDONALD

Date:

Duly authorized signatory for and on behalf of E.O. Group Limited

By:

Name:

Date:

Duly authorized signatory for and on behalf of Sabre Oil and Gas Limited

By: _____

Name: _____

Date: _____

Duly authorized signatory for and on behalf of K.O. Group Limited

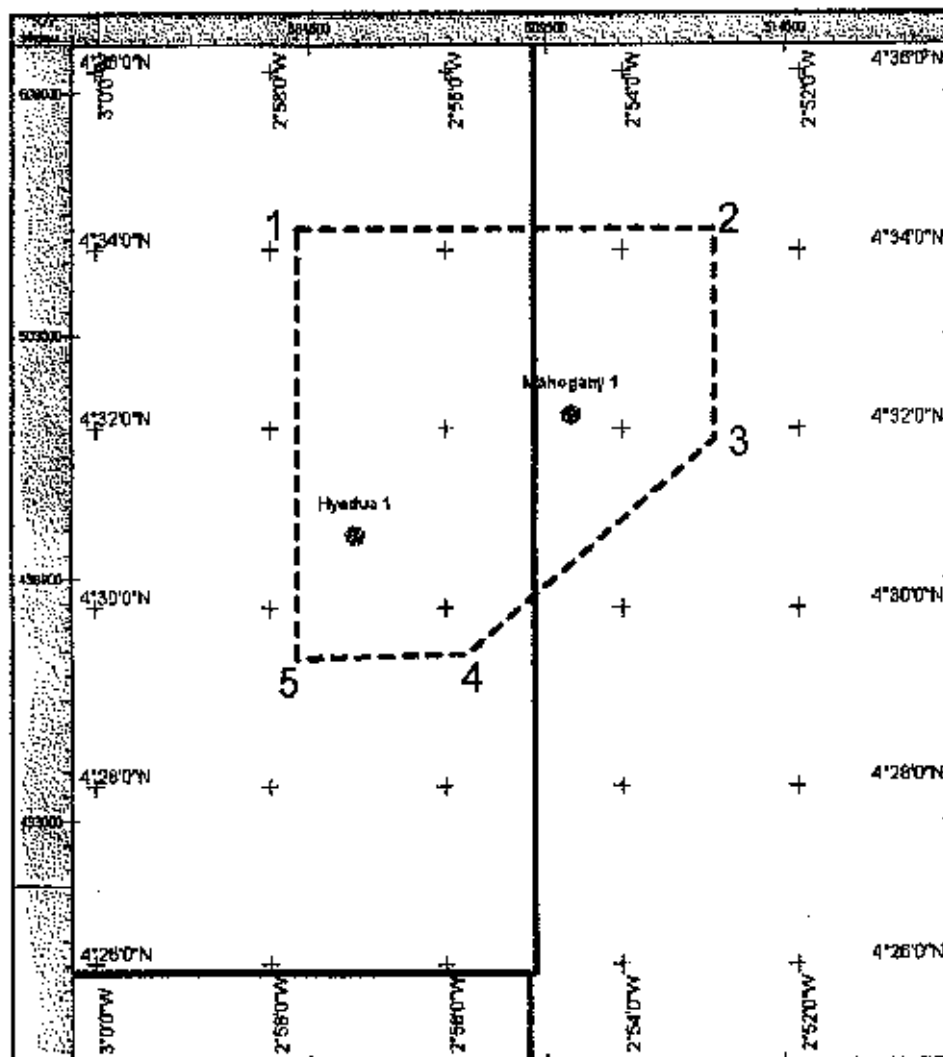
By: 

Name: GEORGE YAN OWOYE

Date: 8/20/28

SCHEDULE 1

UNIT AREA



SCHEDULE 2

UNIT INTEREST

Part A

Unit Interest

	Contract Area Interest	Tract Participation
Tano Deep Contract Area		50%
Tullow (Operator)	55.500%	27.750%
Kosmos Energy	20.000%	10.000%
Anadarko	20.000%	10.000%
Sabre	4.500%	2.250%
West Cape Three Points Contract Area		50%
Kosmos (Operator)	34.310%	17.155%
Anadarko	34.310%	17.155%
Tullow	25.440%	12.720%
EO	3.880%	1.940%
Sabre	2.060%	1.030%

Part B

Unit Interest

Tullow	40.470%
Kosmos Energy	27.155%
Anadarko	27.155%
Sabre	3.280%
EO	1.940%

NOVATION AGREEMENT
JUBILEE FIELD UNIT GHANA PRE-UNITIZATION AGREEMENT

THIS NOVATION AGREEMENT is made this 20th day of February 2009, by and among:

- (1) Anadarko WCTP Company, a Cayman Islands company having its office at 1201 Lake Robbins Drive, The Woodlands, Texas 77380 ("Anadarko");
- (2) The E.O. Group Limited, a company organised and existing under the laws of the Republic of Ghana ("EO");
- (3) KG Group Limited, a Cayman Islands exempted company having its registered office at Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands ("KG");
- (4) Kosmos Energy Ghana HC a Cayman Islands exempted company having its registered office at Suite 409, Century Yard, Cricket Square, Elgin Avenue, George Town, Grand Cayman KY1-1209, Cayman Islands ("Kosmos");
- (5) Sabre Oil and Gas Limited, a Scottish registered company, having its registered office at 4 Rubislaw Place, Aberdeen, Scotland, AB10 1XN ("Sabre UK");
- (6) Sabre Oil & Gas Holdings Limited, a British Virgin Islands company having its registered office at Akara Bldg., 24 de Castro Street, Wickhams Cay I, Road Town, Tortola, British Virgin Islands ("Sabre BVI"); and
- (7) Tullow Ghana Limited, a Jersey company having its registered office at P.O. Box 532, Channel House, 7 Esplanade, St. Helier, Jersey, Channel House, JE4 5UW ("Tullow").

Collectively referred to as the "Parties" and individually as a "Party".

WHEREAS, Kosmos, EO, Anadarko, Tullow, and Sabre UK are parties to a Pre-Unitization Agreement effective as of 22 February 2008 ("PUA");

WHEREAS, as part of a group re-structuring Sabre UK has assigned its entire undivided Participating Interest in Sabre UK's rights, privileges, duties and obligations under that certain Petroleum Agreement dated 22 July 2004 ("WCTP Petroleum Agreement"), and that certain Joint Operating Agreement with the same effective date as the WCTP Petroleum Agreement, as it may have been amended ("WCTP JOA"), which relate to the West Cape Three Points Block, and under that certain Petroleum Agreement dated 10 March 2006 and that certain Joint Operating Agreement dated 15 August 2006 as it may have been amended, which relate to the Tano Deep Block, to its Affiliate, Sabre BVI;

WHEREAS, with effect from 22 February 2008, Sabre UK wishes to be released from, and Sabre BVI wishes to assume, the liabilities, perform the obligations and be entitled to the rights of Sabre UK in respect of the PUA ("Sabre Subject Interest");

WHEREAS, as part of a group re-structuring EO has assigned its entire undivided Participating Interest in EO's rights, privileges, duties and obligations under the WCTP Petroleum Agreement and the WCTP JOA to its Affiliate, KG;

WHEREAS, with effect from 10 December 2008, EO wishes to be released from, and KG wishes to assume, the liabilities, perform the obligations and be entitled to the rights of EO in respect of the PUA ("EO Subject Interest"); and

WHEREAS, Kosmos, EO, Anadarko, Tullow, Sabre UK, Sabre BVI and KG have agreed to execute this Novation Agreement, confirming the release of Sabre UK and consenting to the assumption by Sabre BVI of the Sabre Subject Interest, and confirming the release of EO and consenting to the assumption by KG of the EO Subject Interest on the terms set out herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereby agree as follows:

- (1) With effect from 22 February 2008, Sabre BVI undertakes to each of Kosmos, EO, Anadarko, Tullow and Sabre UK to observe, perform, discharge and be bound by all liabilities, obligations, duties and claims arising under the PUA, in respect of the Sabre Subject Interest whether actual, accrued, contingent or otherwise in every way as if Sabre BVI had been named therein as a party to it in place of Sabre UK.
- (2) Kosmos, EO, Anadarko, and Tullow release and discharge Sabre UK from all claims and demands whatsoever arising under the PUA in respect of the Sabre Subject Interest and accept Sabre BVI's undertaking of liability under the PUA as if Sabre BVI had been named therein as a party to it with effect from 22 February 2008.
- (3) EO and KG jointly and severally warrant and represent to Kosmos, Anadarko, Tullow and Sabre BVI that (i) the two sole shareholders of EO are also the two sole shareholders of KG and (ii) each such shareholder owns fifty percent (50%) of the equity interests and fifty percent (50%) of the voting rights in both EO and KG.
- (4) Each of Kosmos, Anadarko, Tullow and Sabre BVI severally agrees that with effect on and from 10 December 2008:
 - (a) EO shall cease to have rights under or be liable for the EO Subject Interest and KG shall take the place of EO in respect of the EO Subject Interest and shall assume the obligations and liabilities and be entitled to the rights and benefits thereof in place of EO;
 - (b) EO shall continue to be liable for all liabilities, obligations, duties and claims arising under the PUA in respect of the EO Subject Interest, whether actual, accrued or contingent, if any, relating to the period before 10 December 2008;
 - (c) KG undertakes and covenants as a separate obligation with each of Kosmos, Anadarko, Tullow and Sabre BVI to observe, perform, discharge and be bound by all liabilities, obligations, duties and claims arising under the PUA in respect of the EO Subject Interest in the place of EO whether actual, accrued, contingent or otherwise arising on or after 10 December 2008;
 - (d) Kosmos, Anadarko, Tullow, and Sabre BVI respectively release and discharge EO from its liabilities, obligations, duties and claims assumed by KG pursuant to sub-clauses 4(a) and 4(c) above, accept the assumption by KG of such liabilities, obligations, duties and claims in place thereof and agree to perform their respective obligations under the PUA, and KG hereby agrees to indemnify and hold harmless each of Kosmos, Anadarko, Tullow, and Sabre BVI in respect of any damage, loss, proceeding, injury, claim, expense or cost (including reasonable legal costs) for which EO would have been liable but for the release and discharge referred to in this sub-clause 4(d).
- (5) KG and Sabre BVI shall each be severally responsible for payment in a timely fashion of all and any stamp duties and taxes (including interest, penalties and/or fines) payable on or in respect of this Novation Agreement, and each shall indemnify each of the other Parties hereto in respect of any costs (including reasonable legal costs), expenses, loss

or damage occasioned by its failure to pay such stamp duty and taxes or any delay in paying such stamp duty and taxes.

- (B) Schedule 2 of the PUA is hereby amended, so that the list of Participating Interests and paying interests of the parties therein shall read as follows:

UNIT INTEREST

Part A

Unit Interest

	Contract Area Interest	Tract Participation
Tano Deep Contract Area		50%
Tullow (Operator)	55.500%	27.750%
Kosmos Energy	20.000%	10.000%
Anadarko	20.000%	10.000%
Sabre BVI	4.500%	2.250%
West Cape Three Points Contract Area		50%
Kosmos (Operator)	34.310%	17.155%
Anadarko	34.310%	17.155%
Tullow	25.440%	12.720%
KG	3.880%	1.940%
Sabre BVI	2.060%	1.030%

Part B

Unit Interest

Tullow	40.470%
Kosmos Energy	27.155%
Anadarko	27.155%
Sabre BVI	3.280%
KG	1.940%

- (6) This Novation Agreement shall be treated as constituting all actions, consents, confirmations, agreements and undertakings required of the Parties under the PUA in respect of the assignment of the Sabre Subject Interest and the EO Subject Interest.
- (7) Except as expressly provided in this Novation Agreement, all other provisions of the PUA shall remain in full force and effect and binding on the parties thereto.

- (8) Each reference in this Novation Agreement (including the Recitals) to the PUA shall be construed and have effect as a reference to the same as it may have been supplemented and/or amended and/or extended and/or novated prior to the date hereof.
- (9) For the purpose of service of notices under the terms of Article 25 of the PUA the contact details of Sabre BVI and KG are:

Sabre Oil & Gas Holdings Limited
Avenue Louis Casar 18, 5th Floor
CH-1203 Geneva, Switzerland
Attention: David Lampe - Director
Fax: + 41 22 747 7763
Email: david.lampe@sabreoilandgas.com
Telephone: + 41 22 747 7763

Copy to: David Morton - Director
Fax: + 44 (0) 1932 221115
Email: david.morton@sabreoilandgas.com
Telephone: + 44 (0) 1932 230063 (Direct)
or + 44 (0) 207 060 8131 (Office)

KG Group Limited
Private Mail Bag CT 123
Cantonments - Accra, Ghana
Attention: George Owusu
Email: georgeyawowusu@yahoo.com
Telephone: +233 244 339 059

Copy to: Barnes & Cascio LLP
Fax: +1 281 875 0255
Email: james@barnescascio.com
Telephone: +1 281 875 0250

- (10) This Novation Agreement may be executed in any number of counterparts with the same effect as if the signatures on the counterparts were upon a single engrossment of this Novation Agreement provided that this Novation Agreement shall not be effective until all the counterparts have been executed.
- (11) Nothing in this Novation Agreement shall confer on any third party any right to enforce any term of this Novation Agreement.
- (12) Unless otherwise defined in this Novation Agreement, words and expressions defined in the PUA shall have the same meaning when used in this Novation Agreement.
- (13) This Novation Agreement is governed by and shall be construed in accordance with the laws of England.

IN WITNESS WHEREOF this Novation Agreement has been executed for and on behalf of the Parties.

THE E.O. GROUP LIMITED

By: [Signature]
Name: George Yaw Owusu
Title: Director
Date: 24 February 2009

KG GROUP LIMITED

By: [Signature]
Name: George Yaw Owusu
Title: Director
Date: 24 February 2009

ANADARKO WCTP COMPANY

By: _____
Name: _____
Title: _____
Date: _____

KOSMOS ENERGY GHANA HC

By: _____
Name: _____
Title: _____
Date: _____

SABRE OIL AND GAS LIMITED

By: _____
Name: _____
Title: _____
Date: _____

I certify this is a true copy
of the original document

Caroline V Barnes 27/2/09
Notary Public Date



IN WITNESS WHEREOF this Novation Agreement has been executed for and on behalf of the Parties.

THE E.O. GROUP LIMITED

By: _____

Name: George Yaw Owusu

Title: Director

Date: 24 February 2009

KG GROUP LIMITED

By: _____

Name: George Yaw Owusu

Title: Director

Date: 24 February 2009

ANADARKO WCTP COMPANY

By: *Charles E. Provost*

Name: CHARLES E. PROVOST

Title: VICE-PRESIDENT

Date: 25 FEBRUARY 2009



KOSMOS ENERGY GHANA HC

By: _____

Name: _____

Title: _____

Date: _____

SABRE OIL AND GAS LIMITED

By: _____

Name: _____

Title: _____

Date: _____

I certify this is a true copy
of the original document

Caroline V. Barnes *02/26/09*
Notary Public Date



IN WITNESS WHEREOF this Novation Agreement has been executed for and on behalf of the Parties.

THE E.O. GROUP LIMITED

By: _____
Name: George Yaw Owusu
Title: Director
Date: 24 February 2009

KG GROUP LIMITED

By: _____
Name: George Yaw Owusu
Title: Director
Date: 24 February 2009

ANADARKO WCTP COMPANY

By: _____
Name: _____
Title: _____
Date: _____

KOSMOS ENERGY GHANA HC

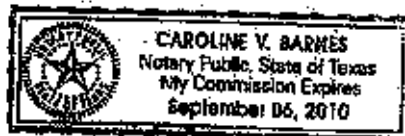
By: William S. Hayes
Name: WILLIAM S. HAYES
Title: VICE PRESIDENT
Date: FEB 25 2009

SABRE OIL AND GAS LIMITED

By: _____
Name: _____
Title: _____
Date: _____

I certify this is a true copy
of the original document

Caroline V. Barnes 27 Feb 09
Notary Public Date



09-02-24

5

W-28

Exhibit W to the Unitization and Unit Operating Agreement

IN WITNESS WHEREOF this Novation Agreement has been executed for and on behalf of the Parties.

THE E.O. GROUP LIMITED

By: _____
Name: George Yaw Owusu
Title: Director
Date: 24 February 2009

KG GROUP LIMITED

By: _____
Name: George Yaw Owusu
Title: Director
Date: 24 February 2009

ANADARKO WCTP COMPANY

By: _____
Name: _____
Title: _____
Date: _____

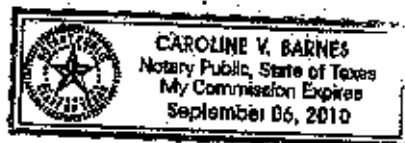
KOSMOS ENERGY GHANA HC

By: _____
Name: _____
Title: _____
Date: _____

SABRE OIL AND GAS LIMITED

By: _____
Name: A. J. W. ADATH
Title: Director
Date: 26/2/2009

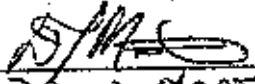
I certify this is a true copy
of the original document
Caroline Barnes 27 Apr 09
Notary Public Date



W-29

Exhibit W to the Unitization and Unit Operating Agreement

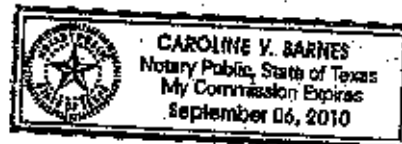
SABRE OIL & GAS HOLDINGS LIMITED

By: 
Name: DAVID D. MORRISON
Title: DIRECTOR
Date: 25 FEB 2009

TULLOW GHANA LIMITED

By: _____
Name: _____
Title: _____
Date: _____

I certify this is a true copy
of the original document
Caroline V. Barnes 22 Apr 09
Notary Public Date



SABRE OIL & GAS HOLDINGS LIMITED

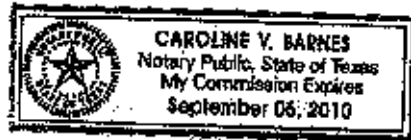
By: _____
Name: _____
Title: _____
Date: _____

TULLOW GHANA LIMITED

By: *A. Graham Martin*
Name: GRAHAM MARTIN
Title: DIRECTOR
Date: 25/2/09

I certify this is a true copy
of the original document

Caroline Barnes *27 Apr 09*
Notary Public Date



MINISTRY OF ENERGY

Tel: 667151-3
Telex: 2436 ENERGY GH
Fax: 668262
IDD Code (233-21)
E-mail: moen@energymn.gov.gh



Private Mail Bag
Ministries Post Office
Accra, Ghana.

Post Office Box T.40
Stadium Post Office
Accra, Ghana.



13th July 2009

Tullow Oil Ghana Ltd.
33 Labone Crescent, Labone-Osu
Accra, Ghana

Attn: Mr. Dai Jones

Dear Sir,

**Approval of Jubilee Field Phase 1 Development Plan
(Deepwater Tano Contract Area Petroleum Agreement and West Cape
Three Points Block Petroleum Agreement)**

Pursuant to the Deepwater Tano Contract Area Petroleum Agreement and the West Cape Three Points Block Petroleum Agreement (Petroleum Agreements), you submitted for approval the Jubilee Field Phase 1 Plan of Development (PoD) the evening of 14th April 2009 with a submittal letter dated 8th April 2009.

By my letters of 28th April 2009 and 5th May 2009 I requested that various documents to which references were made in the PoD be submitted. I requested clarifications of portions of your document and also proposed certain amendments. The documents I asked for were subsequently submitted.

At your request, I held meetings at my office with representatives of Tullow, Anadarko, Kosmos Energy, as well as the Ghana National Petroleum Corporation over several days during the week beginning May 4th 2009. We discussed the issues raised in my two letters. During those discussions the Unitization and Unit Operating Agreement (UUOA), which is referred to at

several points in the PoD document, also came up and you made available an attachment to the UUOA which you had not supplied previously.

Following those meetings, you submitted a revised Jubilee Phase 1 Development Plan (final version) and a letter dated 7th May 2009 delivered to my office on the morning of Friday, 8th May 2009. We exchanged further correspondence and held subsequent meetings regarding the Development Plan and the UUOA. These included meetings since yesterday, 6th July 2009.

Based on the final form of the Development Plan which you have just submitted with your letter dated 7th July 2009, I am now pleased to inform you that the Jubilee Phase 1 Development Plan (definitive final version dated 7th July 2009) is hereby approved. This approval, of course, obliges you to comply with the requirements of the Environmental Protection Agency as well as all legal requirements associated with your petroleum operations.

I must also mention that I expect you to complete your appraisal programme in the time provided in the Petroleum Agreements and submit subsequently the Development Plan for full field development upon future determination of commerciality.

I would like to congratulate you on this important milestone and wish you success in undertaking this exciting project. I look forward to a mutually beneficial relationship between the consortium of companies and Ghana.

Yours faithfully,



Dr. Joe OTIENG-ADJEI
MINISTER

cc: Managing Director, GNPC

APPROVAL OF THE JUBILEE UNITIZATION

REPUBLIC OF GHANA

I, Dr. Joe Oteng-Adjei, the duly appointed Minister for Energy (the "Minister") of the Republic of Ghana (the "State"), pursuant to the powers conferred on me under the Petroleum (Exploration and Production) Law, 1984 (PNDCL 84) and the Petroleum Agreements, do hereby on this 13th day of July, 2009, issue and declare, in the name of and on behalf of the State, the following:

RECITALS

WHEREAS, Tullow Ghana Limited, a company existing under the laws of Jersey, Channel Islands (hereinafter referred to as "Tullow"); Kosmos Energy Ghana HC, a company existing under the laws of the Cayman Islands (hereinafter referred to as "Kosmos"); Anadarko WCTP Company, a company existing under the laws of the Cayman Islands (hereinafter referred to as "Anadarko"); Sabre Oil & Gas Holdings Limited, a company existing under the laws of the British Virgin Islands (hereinafter referred to as "Sabre") and EO Group Limited, a company existing under the laws of the Cayman Islands (hereinafter referred to as "EO Group") or their predecessors-in-interest entered into a Petroleum Agreement with the Government of the Republic of Ghana (hereinafter referred to as the "Government" (represented therein by the Minister) and Ghana National Petroleum Corporation, a public corporation existing under the laws of the Republic of Ghana and established by Provisional National Defence Council Law 64 of 1983 (hereinafter referred to as "GNPC") dated July 22, 2004 covering certain areas located in the West Cape Three Points Block located offshore the Republic of Ghana (such agreement hereinafter referred to as the "WCTP Petroleum Agreement"; and all parties to the WCTP Petroleum Agreement other than the Government hereinafter referred to as the "WCTP Contract Group");

WHEREAS, Tullow, Kosmos, Anadarko and Sabre or their predecessors-in-interest entered into a Petroleum Agreement with the Government (represented therein by the Minister) and GNPC dated March 10, 2006 covering certain areas located in the Deepwater Tano Contract Area located offshore the Republic of Ghana (such agreement hereinafter referred to as the "DWT Petroleum Agreement"; and all parties to the DWT Petroleum Agreement other than the Government hereinafter referred to as the "DWT Contract Group", the DWT Petroleum Agreement and the WCTP Petroleum Agreement sometimes individually referred to hereinafter as a "Petroleum Agreement" and collectively as the "Petroleum Agreements"; and the DWT Contract Group and the WCTP Contract Group sometimes individually referred to hereinafter as a "Contract Group" and collectively as the "Contract Groups");

WHEREAS, the Contract Groups have discovered a petroleum field consisting of multiple reservoirs described in this Approval (collectively hereinafter referred to as the "Jubilee Field") that extends across the boundary between the contract areas covered by the two Petroleum Agreements;

WHEREAS, the Minister has the authority under Section 4, Subsection 7 of the Petroleum (Exploration and Production) Law, 1984 (PNDCL 84) to require a petroleum field that extends beyond the boundaries of an area covered by a petroleum agreement to be developed as a single unit and to give appropriate directions to the Contract Groups regarding the implementation of such unitization;

WHEREAS, the Minister has the authority under Article 8.20 of the WCTP Petroleum Agreement and Article 8.20 of the DWT Petroleum Agreement to require the Contract Groups to exploit a petroleum field that extends beyond the boundaries of an area covered by each such Petroleum Agreement in, association with the party holding the adjacent area, pursuant to unitization and engineering principles and practices in accordance with accepted international Petroleum industry practices;

WHEREAS, the Minister has issued a letter dated November 25, 2008 determining that the Jubilee Field extends across the boundary between the contract areas covered by the two Petroleum Agreements and that such field shall be developed and exploited as a single unit pursuant to unitization and engineering principles and practices and in accordance with accepted international petroleum industry practices and instructing the Contract Groups to negotiate and enter into a unitization and unit operating agreement setting forth the terms of the unitization;

WHEREAS, as contemplated by said provisions of the Petroleum (Exploration and Production) Law, 1984 (PNDCL 84) and the Petroleum Agreements, GNPC, Tullow, Kosmos, Anadarko, Sabre and EO Group have entered into a Unitization and Unit Operating Agreement dated 13th July, 2009 setting forth the terms on which the Jubilee Field will be developed and operated pursuant to unitization as a single unit, and copies of such agreement have been furnished to the Minister on behalf of the State (such agreement hereinafter referred to as the "Unitization Agreement", such parties to the Unitization Agreement hereinafter referred to as the "Unit Parties" and the unit formed for the Jubilee Field is hereinafter referred to as the "Jubilee Unit");

WHEREAS, the Minister and the Unit Parties have signed the contract acknowledgment, of even date herewith, in connection with the unitization (the "Acknowledgment"); and

WHEREAS, it is in the public interest to grant this approval;

NOW, THEREFORE, the Minister acting on behalf of the State approves the following:

ARTICLE 1 APPROVAL OF UNITIZATION

- 1.1 Jubilee Unit. The formation of the Jubilee Unit and the unitization of the Jubilee Field pursuant to and in accordance with the terms of the Unitization Agreement is hereby approved.
- 1.2 Depth Interval and Areal Extent. The initial depth interval and the initial areal extent of the Jubilee Unit as described in Exhibit A to this instrument are hereby approved. The State further approves the future adjustment of the

depth interval and, if applicable, the areal extent of the Jubilee Unit pursuant to the process for expansion set out in the applicable provisions of the Unitization Agreement, without further consent to the results of such expansion process being required, provided that the depth interval or areal extent may not be extended pursuant to this authorization beyond the boundaries of the Development and Production Area for the Jubilee Field as approved from time to time under the Petroleum Agreements.

- 1.3 Initial Participations. The initial participations for each Petroleum Agreement in the Jubilee Unit of WCTP Petroleum Agreement of fifty percent (50%) and DWT Petroleum Agreement fifty percent (50%) are hereby approved.
- 1.4 Adjustments to Participations. The State approves adjustments of the percentage participations of the Petroleum Agreements in the Jubilee Unit in accordance with the process for redetermination set out in the applicable provisions of the Unitization Agreement, without further consent to the results of such redetermination process being required.
- 1.5 Allocations of Petroleum and Petroleum Costs. Petroleum produced from the Jubilee Unit and Petroleum Costs incurred in conducting operations with respect to the Jubilee Unit shall be allocated to each Petroleum Agreement in accordance with the percentage participations of such Petroleum Agreement in the Jubilee Unit, except that greater or lesser quantities of Petroleum, and greater or lesser shares of Petroleum Costs, may be allocated to a Petroleum Agreement in connection with:
 - (A) an expansion of the volume or areal extent of the Jubilee Unit as authorized under clause 1.2 or
 - (B) the redetermination of each Petroleum Agreement's percentage participation as authorized under clause 1.4

to allow a Petroleum Agreement which was allocated too little Petroleum in the past to receive a make-up adjustment of Petroleum, and to require a Petroleum Agreement which was allocated too small a share of Petroleum Costs in the past to make make-up payments, as described in the applicable provisions of the Unitization Agreement. Petroleum allocated in accordance with this clause shall be deemed to have been produced and saved, and Petroleum Costs allocated in accordance with this clause shall be deemed to have been incurred, under the Petroleum Agreement to which they are allocated, for purposes of the calculation of Additional Oil Entitlements under each Petroleum Agreement, calculation of income tax, withholding tax and all other taxes with respect to each party within the Contract Group associated with each Petroleum Agreement, calculation of royalties under each Petroleum Agreement, determination of domestic marketing obligations with respect to each Petroleum Agreement, and for all other purposes, regardless of the actual location of the well from which such Petroleum is produced or the area in which such Petroleum Costs are incurred.

1.6 GNPC Assumption of Interest. Pursuant to Section 5, Subsection 1 of the Petroleum (Exploration and Production) Law, 1984 (PNDCL 84), GNPC is provided with a right to undertake exploration, development and production of petroleum over all blocks declared by the Minister as open for petroleum operations and over which no petroleum agreement exists. In cases where one Contract Group loses its entire interest in the Jubilee Unit as a consequence of the surrender, expiration or termination of its Petroleum Agreement while the Jubilee Unit remains in effect, GNPC shall become the Contract Group for that Petroleum Agreement, as if it had acquired the interests of the former Contract Group in that Petroleum Agreement and their related rights in the Unitization Agreement, and GNPC shall assume all obligations with respect to such interests in accordance with the transfer requirements of the Unitization Agreement subject to the special rights of GNPC, where applicable, without further consent of the Minister being required.

1.7 Tax Exemption for Certain Unitization Related Activities. The State confirms that the following transactions in connection with the unitization are not taxable events and are exempted from all taxes and other assessments, duties, fees, levies or other charges that any governmental authority imposes from time to time:

(A) Any transfer of Petroleum or payments in lieu of Petroleum between any Unit Parties and/or the State to allow make-up and/or adjustment for past production and any payments between any Unit Parties and/or the State to allow adjustment for past costs following an expansion as described in clause 1.2 or a redetermination as described in clause 1.4, provided that Unit Parties receiving such Petroleum or payments in lieu of Petroleum shall be subject to tax on the resulting revenues, and Unit Parties paying an adjustment for past costs shall be entitled to depreciation, amortization, deductions or credits with respect to such past costs, as applicable, in accordance with the Petroleum Agreements;

(B) Any payment made between the Unit Parties, including payments made to or between any Unit Operator (as such term is defined in the Unitization Agreement) and any Technical Operator (as such term is defined in the Unitization Agreement) to settle obligations between them for the funding and payment of Petroleum Costs with respect to the Jubilee Unit and any payments made by the Unit Parties to their Affiliates providing services performed at cost for operations under the Unitization Agreement, but excluding any interest payments made by any Unit Party as a consequence of late payment of any amounts owing to any other Unit Party with respect to such funding and payment, which interest shall be taxable in accordance with the Petroleum Agreements; and

(C) Any receipt of the production share of Petroleum to which GNPC is entitled, and proceeds therefrom, in repayment of GNPC's share of Petroleum Costs attributable to GNPC's Paying Interest in the Jubilee Unit under each Petroleum Agreement, but excluding any interest or other amounts received in excess of advances made for the account of

GNPC (which excess amounts, if any, shall be taxable in accordance with the Petroleum Agreements).

- 1.8 Amendment of Unitization Agreement. Any amendment to the terms of the Unitization Agreement regarding the matters approved in clauses 1.2, 1.3, 1.4, 1.5, and 1.6 above, presently found in Articles 4.2, 4.3, and 5 of the Unitization Agreement, shall require the written consent of the State acting through the Minister. The Unit Parties may amend other provisions of the Unitization Agreement without approval of the State, to the extent such amendments are not in conflict with the Petroleum Agreements and the laws applicable thereto.

ARTICLE 2 CONFIRMATION OF APPROVALS AND AUTHORITY

The Minister, on behalf of the State, hereby confirms that the Acknowledgment and this Approval are the only consents and approvals currently required under applicable law or by any governmental authority in the Republic of Ghana in order to fully implement the terms of the Acknowledgment and Article 1 hereof and represents that he is empowered and authorized on behalf of the State to execute the Acknowledgment and this Approval, to approve the unitization of the Jubilee Unit, and to take all such other actions as are required to fully implement the terms hereof and of the Acknowledgment without the need of any further approval or consent from any other authority of the State.

The Acknowledgment and this Approval shall be governed by and construed in accordance with the laws of the Republic of Ghana and the Minister, on behalf of the State, may enforce the unitization of the Jubilee Field in accordance with the terms of the Unitization Agreement under the terms of the Acknowledgment and this Approval.

ARTICLE 3 GOVERNMENTAL AGENCIES AND UNIT PARTIES

The Minister and the State, its departments and agencies, shall support this Approval and shall take no action which prevents or impedes the due exercise and performance of rights and obligations of the Unit Parties hereunder.

The Minister shall procure, within ninety (90) days from the date hereof, a letter ruling or letter rulings from the Commissioner of Internal Revenue Service of Ghana confirming recognition for purposes of the Petroleum Income Tax Law 1987 (PNDCI. 188) and other tax laws of the allocations described in Articles 4.2(A), 4.2(B), 4.3(A) and 4.3(B) of the Unitization Agreement.

**ARTICLE 4
TERMINOLOGY**

Capitalized terms used in this Approval that are not specifically defined herein shall have the meaning given to those terms in the Petroleum Agreements.

This Approval shall come into force upon the date of execution hereof.

Issued in the city of ACCRA this 5th day of JULY, 2009.

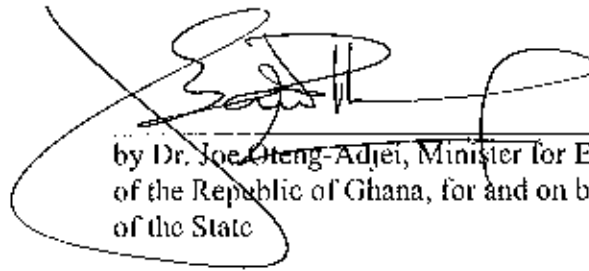

by Dr. Joe Oteng-Adjei, Minister for Energy
of the Republic of Ghana, for and on behalf
of the State

EXHIBIT A - DEPTH INTERVAL AND AREAL EXTENT OF JUBILEE UNIT

**PART I
UNIT AREA COORDINATES**

The coordinates of the Unit Area for the development of the Jubilee field are presented in Table 1 below.

Point	Longitude			Latitude			WGS84 UTM Zone 30	
	Deg	Min	Sec	Deg	Min	Sec	Easting	Northing
1	-2	58	0.000	4	29	30.000	503698.00	496474.00
2	-2	58	0.000	4	33	0.000	503698.00	502922.00
3	-2	59	0.000	4	33	0.000	501849.00	502922.00
4	-2	59	0.000	4	35	0.000	501849.00	506607.00
5	-2	56	0.000	4	35	0.000	507395.00	506607.00
6	-2	56	0.000	4	34	30.000	507395.00	505686.00
7	-2	54	0.000	4	34	30.000	511092.00	505687.00
8	-2	54	0.000	4	35	0.000	511092.00	506608.00
9	-2	52	0.000	4	35	0.000	514790.00	506608.00
10	-2	52	0.000	4	34	45.000	514790.00	506148.00
11	-2	51	15.000	4	34	45.000	516176.00	506148.00
12	-2	51	15.000	4	34	30.000	516176.00	505687.00
13	-2	50	30.000	4	34	30.000	517563.00	505688.00
14	-2	50	30.000	4	34	0.000	517563.00	504767.00
15	-2	50	0.000	4	34	0.000	518487.00	504767.00
16	-2	50	0.000	4	33	30.000	518488.00	503846.00
17	-2	50	30.000	4	33	30.000	517563.00	503845.00
18	-2	50	30.000	4	33	0.000	517563.00	502924.00
19	-2	51	15.000	4	33	0.000	516177.00	502924.00
20	-2	51	15.000	4	32	30.000	516177.00	502003.00
21	-2	52	0.000	4	32	30.000	514790.00	502003.00
22	-2	52	0.000	4	32	0.000	514791.00	501081.00
23	-2	52	45.000	4	32	0.000	513404.00	501081.00
24	-2	52	45.000	4	31	30.000	513404.00	500160.00
25	-2	53	30.000	4	31	30.000	512017.00	500160.00
26	-2	53	30.000	4	31	0.000	512018.00	499239.00
27	-2	54	0.000	4	31	0.000	511093.00	499239.00
28	-2	54	0.000	4	30	30.000	511093.00	498317.00
29	-2	54	30.000	4	30	30.000	510169.00	498317.00
30	-2	54	30.000	4	30	0.000	510169.00	497396.00
31	-2	55	0.000	4	30	0.000	509244.00	497396.00
32	-2	55	0.000	4	29	30.000	509245.00	496475.00
1	-2	58	0.000	4	29	30.000	503698.00	496474.00

Table 1: Jubilee Field Unit Area Coordinates

UTM coordinates have been calculated using UTM projection zone 30 with WGS84 Datum and using the following:

False Easting	=	500000.0 meters
False Northing	=	0.00 meters
Central Meridian	=	-3.000000 degrees
Scale Factor	=	0.99960000

**PART 2
UNIT AREA MAP**

The Unit Area is presented graphically in Figure 1.

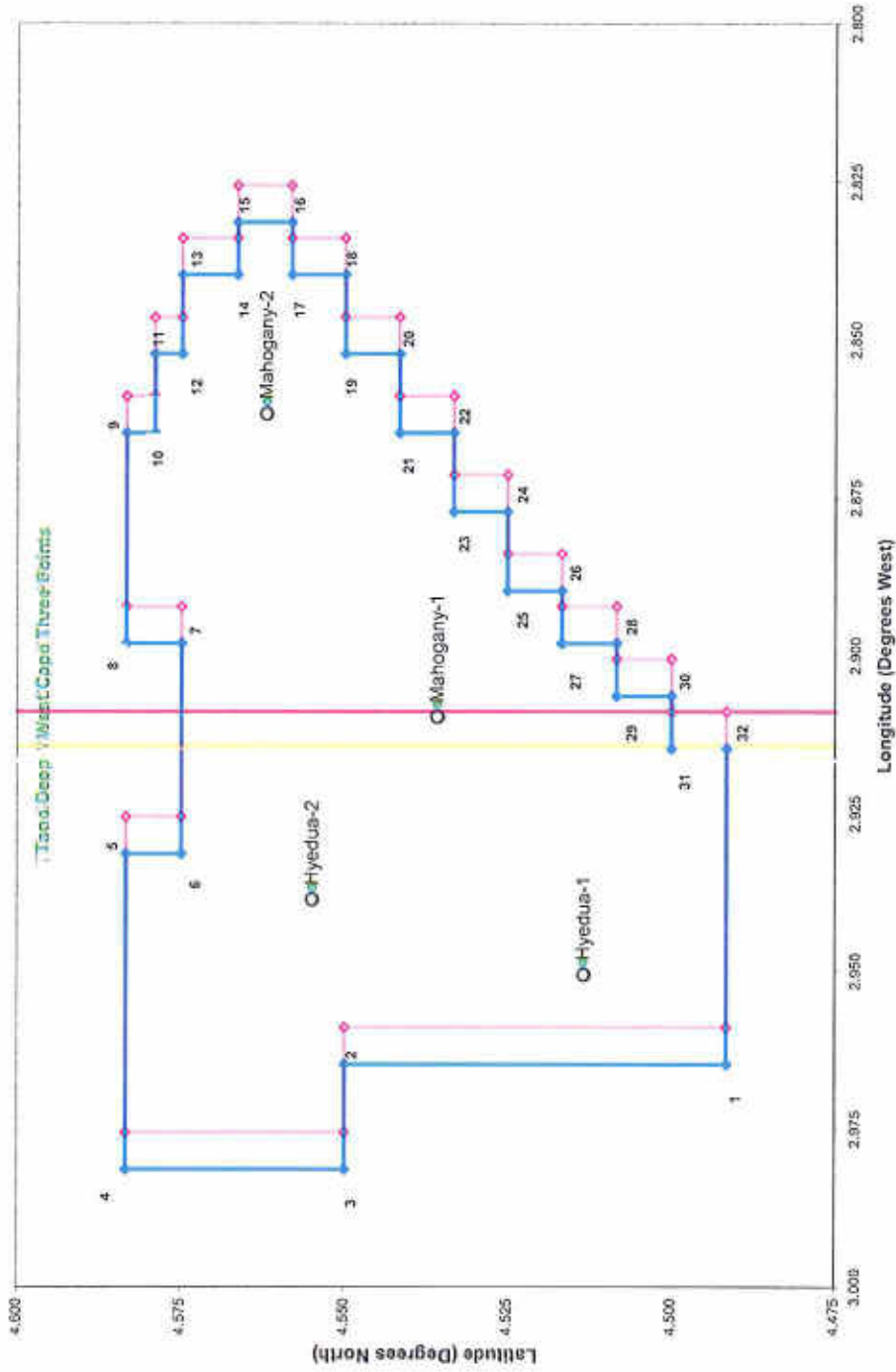


Figure 1: Jubilee Field Unit Area

**PART 3
UNIT INTERVAL DEFINITION**

The Unit Interval means the sediments within the Unit Area which are encountered between the depths of the top and base of the Unit Interval.

The top and base of the Unit Interval, as identified in the wells drilled to date, is defined in Table 2 below and shown in Figure 2 of this Exhibit by the typical log response of the gamma ray, density and porosity logs for the Mahogany-1 Well and in Figure 3 the typical log response of the gamma ray and resistivity logs for the Mahogany-1 Well. In the absence of well data the seismic correlatives of the depths in Table 2 shall define the unit interval.

The top and base of the Unit Interval shall be identified where penetrated in each Well and correlated between each Well using all available data from the Common Database, including wireline log data, in accordance with Section 5 of Exhibit F.

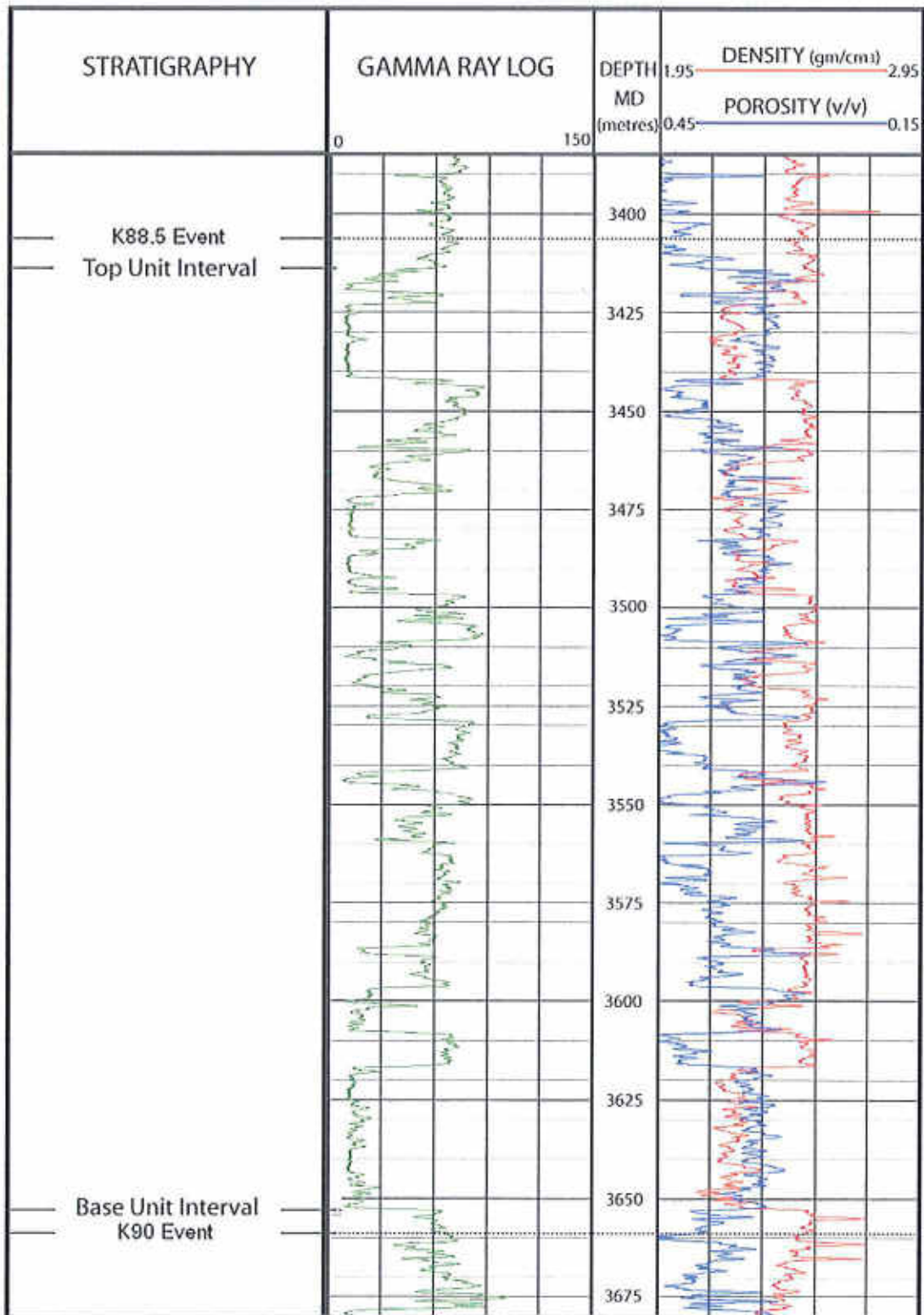
Table 2: Well depths of the top and base of the Unit Interval

	Hyedua-1 BP01		Mahogany-1		Mahogany-2		Hyedua-2	
	Drill Floor Elevation: 24 metres above msl		Drill Floor Elevation: 24 metres above msl		Drill Floor Elevation: 11 metres above msl		Deviated Well: MD-TVDSS 42 metres	
STRATIGRAPHY	MD (metres)	TVDSS (metres)	MD (metres)	TVDSS (metres)	MD (metres)	TVDSS (metres)	MD (metres)	TVDSS (metres)
Top Unit Interval	3580.0	-3556.0	3412.0	-3388.0	3167.0	-3156.0	3365.0	-3323.0
Base Unit Interval	3811.0	-3787.0	3653.0	-3629.0	3372.0	-3361.0	3527.0	-3485.0

As additional information, the Parties expect the top of the Unit Interval to be coincident with the K88.5 Event stratigraphic marker which has an age date of 88.5 million years and which is equivalent to the top of the Late Turonian Age; and the base of the Unit Interval to be coincident with the K90 Event stratigraphic marker which has an age date of 90 million years and which is equivalent to the base of the Late Turonian Age, but the definition in Table 2 shall be controlling in the event the two are not coincident.

Figure 2: Typical log response of the gamma ray, density and neutron logs for the top and base of the Unit Interval in the Mahogany-1 Well

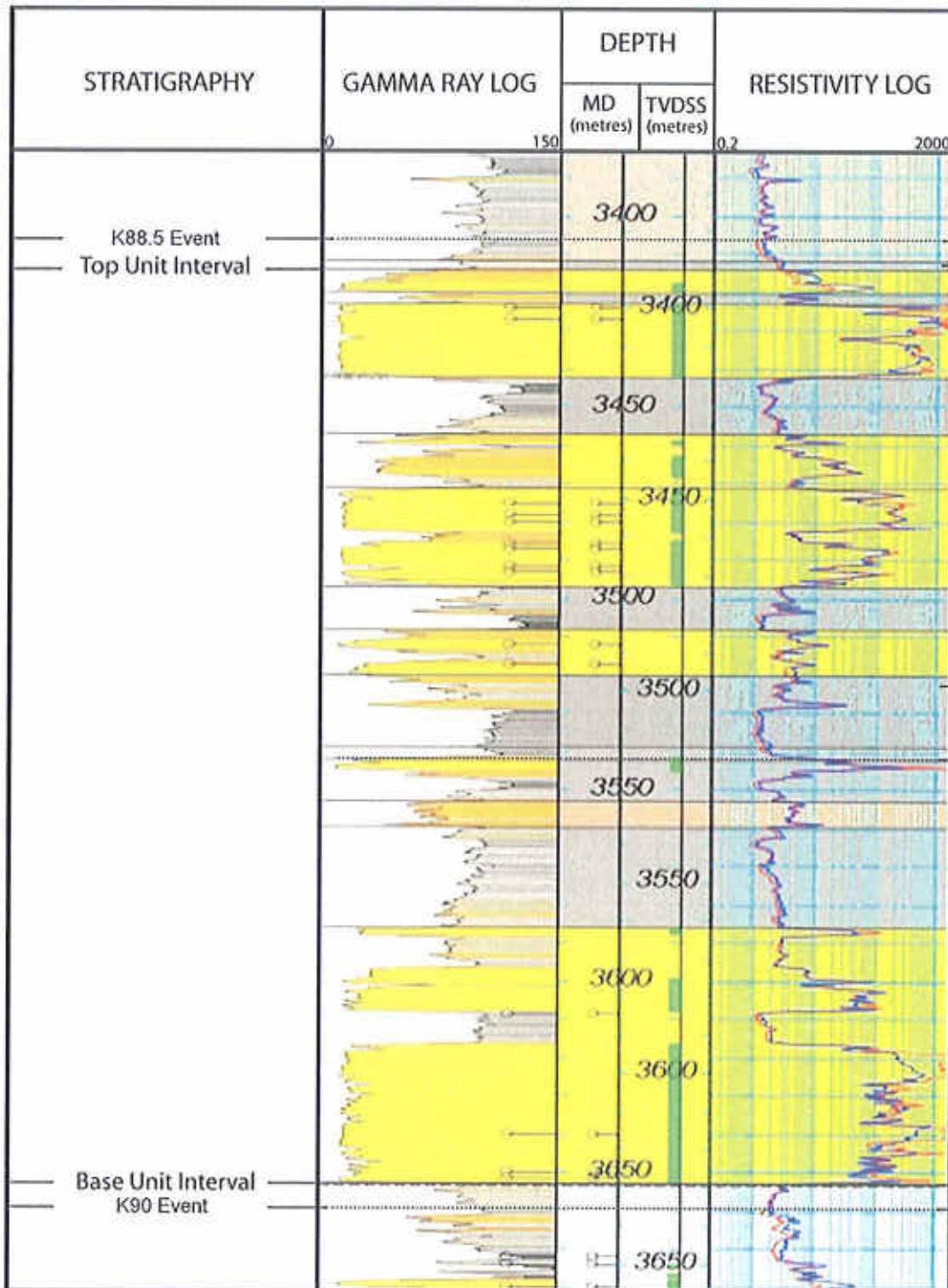
Well: Mahogany-1



For purposes of illustration

Figure 3: Typical log response of the gamma ray and resistivity logs for the top and base of the Unit Interval in the Mahogany-1 Well

Well: Mahogany-1



For purposes of illustration

CONTRACT ACKNOWLEDGMENT

THIS CONTRACT ACKNOWLEDGMENT is entered into on 13 JULY 2008 among the Republic of Ghana (the "State"), represented by the Minister for Energy (the "Minister"), Ghana National Petroleum Corporation, a public corporation existing under the laws of the Republic of Ghana and established by Provisional National Defence Council Law 64 of 1983 (hereinafter referred to as "GNPC"); Tullow Ghana Limited, a company existing under the laws of Jersey, Channel Islands and registered in Ghana with branch registration number 1017 (hereinafter referred to as "Tullow"); Kosmos Energy Ghana HC, a company existing under the laws of the Cayman Islands and registered in Ghana with branch registration number EXT 927 (hereinafter referred to as "Kosmos"); Anadarko WCTP Company, a company existing under the laws of the Cayman Islands and registered in Ghana with branch registration number EXT 1090 (hereinafter referred to as "Anadarko"); Sabre Oil & Gas Holdings Limited, a company existing under the laws of the British Virgin Islands and registered in Ghana with branch registration number EXT 1226 (being the successor-in-interest to Sabre Oil & Gas Limited and being hereinafter referred to as "Sabre"); and EO Group Limited, a company existing under the laws of the Cayman Islands and registered in Ghana with branch registration number EXT 1238 (hereinafter referred to as "EO Group"). The Minister and the companies named above, and their respective successors and assignees (if any), may sometimes individually be referred to as "Party" and collectively as the "Parties".

RECITALS

WHEREAS, Tullow Ghana Limited, a company existing under the laws of Jersey, Channel Islands (hereinafter referred to as "Tullow"); Kosmos Energy Ghana HC, a company existing under the laws of the Cayman Islands (hereinafter referred to as "Kosmos"); Anadarko WCTP Company, a company existing under the laws of the Cayman Islands (hereinafter referred to as "Anadarko"); Sabre Oil & Gas Holdings Limited, a company existing under the laws of the British Virgin Islands (hereinafter referred to as "Sabre") and EO Group Limited, a company existing under the laws of the Cayman Islands (hereinafter referred to as "EO Group") or their predecessors-in-interest entered into a Petroleum Agreement with the Government of the Republic of Ghana (hereinafter referred to as the "Government" (represented therein by the Minister for Energy)) and Ghana National Petroleum Corporation, a public corporation existing under the laws of the Republic of Ghana and established by Provisional National Defence Council Law 64 of 1983 (hereinafter referred to as "GNPC") dated July 22, 2004 covering certain areas located in the West Cape Three Points Block offshore the Republic of Ghana (such agreement hereinafter referred to as the "WCTP Petroleum Agreement"; and all parties to the WCTP Petroleum Agreement other than the Government hereinafter referred to as the "WCTP Contract Group");

WHEREAS, Tullow, Kosmos, Anadarko and Sabre or their predecessors-in-interest entered into a Petroleum Agreement with the Government (represented therein by the Minister for Energy) and GNPC dated March 10, 2006 covering certain areas located in the Deepwater Tano Contract Area offshore the Republic of Ghana (such agreement hereinafter referred to as the "DWT Petroleum Agreement"; all parties to the DWT Petroleum Agreement other than the Government hereinafter referred to as the "DWT Contract Group", the DWT

Petroleum Agreement and the WCTP Petroleum Agreement sometimes individually referred to hereinafter as a "Petroleum Agreement" and collectively as the "Petroleum Agreements"; and the DWT Contract Group and the WCTP Contract Group sometimes individually referred to hereinafter as a "Contract Group" and collectively as the "Contract Groups");

WHEREAS, the Contract Groups have discovered a petroleum field consisting of multiple reservoirs described in this Acknowledgment (collectively hereinafter referred to as the "Jubilee Field") that extends across the boundary between the contract areas covered by the two Petroleum Agreements;

WHEREAS, the Minister has the authority under Section 4, Subsection 7 of the Petroleum (Exploration and Production) Law, 1984 (PNDCL 84) to require a petroleum field that extends beyond the boundaries of an area covered by a petroleum agreement to be developed as a single unit and to give appropriate directions to the Contract Groups regarding the implementation of such unitization;

WHEREAS, the Minister has issued a letter dated November 25, 2008 determining that the Jubilee Field extends across the boundary between the contract areas covered by the two Petroleum Agreements and that such field shall be developed and exploited as a single unit pursuant to unitization and engineering principles and practices and in accordance with accepted international petroleum industry practices and instructing the Contract Groups to negotiate and enter into a unitization and unit operating agreement setting forth the terms of the unitization;

WHEREAS, as contemplated by said provisions of the Petroleum (Exploration and Production) Law of 1984 and the Petroleum Agreements, GNPC, Tullow, Kosmos, Anadarko, Sabre and EO Group have entered into a Unitization and Unit Operating Agreement dated 13 JULY, 2009 setting forth the terms on which the Jubilee Field will be developed and operated pursuant to unitization as a single unit, and copies of such agreement have been furnished to the Minister on behalf of the State (such agreement hereinafter referred to as the "Unitization Agreement", such parties to the Unitization Agreement hereinafter referred to as the "Unit Parties" and the unit formed for the Jubilee Field is hereinafter referred to as the "Jubilee Unit");

WHEREAS, the unitization of the Jubilee Unit has been approved by the Government in a separate approval instrument (the "Government Approval"); and

NOW, THEREFORE, by this instrument (the "Acknowledgment"), the Parties acknowledge that the following provisions will apply to Petroleum Operations under the Petroleum Agreements relating to the Jubilee Unit.

ARTICLE 1 PETROLEUM AGREEMENTS

The Parties acknowledge and agree that the following provisions shall apply to Petroleum Operations under the Petroleum Agreements relating to the Jubilee Unit:

- 1.1 Specified Rate. In the event that GNPC fails to pay any billings and cash calls for any Petroleum Costs for which GNPC is responsible in accordance with its cost-bearing interest in the Jubilee Unit, the amount not paid shall be allocated between Petroleum Agreements in accordance with the percentage participation of each such Petroleum Agreement in the Jubilee Unit, and the interest rate charged to GNPC on each such allocated share of the amount not paid shall be as provided in the applicable Petroleum Agreement.
- 1.2 Joint Management Committees. The Unit Operator may participate in meetings of the Joint Management Committee under each Petroleum Agreement to act as representative of the Unit Parties with respect to Petroleum Operations for the Jubilee Unit, regardless of whether the Unit Operator holds a position as a Contract Group representative on the Joint Management Committee. Any Technical Operator (as such term is defined in the Unitization Agreement) may participate in meetings of the Joint Management Committee under each Petroleum Agreement to the extent helpful for purposes of discussing operations handled by such Technical Operator, regardless of whether such Technical Operator holds a position as a Contract Group representative on the Joint Management Committee.
- 1.3 Re-Exports. Subject to GNPC's rights under Article 19 of the WCTP Petroleum Agreement, the Affiliates of the Unit Operator, any Technical Operator or any other Unit Party providing work or services as "Subcontractors" shall be entitled to export from Ghana items that were previously imported into Ghana for purposes of Petroleum Operations relating to the Jubilee Unit without paying any duty on such items, save for minor administrative charges, as set out in Article 12.7 of the WCTP Petroleum Agreement.
- 1.4 Taxation of Foreign National Employees. The Ghana 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 the Unit Parties, their Affiliates and Subcontractors engaged in Petroleum Operations related to the Jubilee Unit; provided, however, that Foreign National Employees of the Unit Parties, their Affiliates and Subcontractors engaged in Petroleum Operations related to the Jubilee Unit shall be exempt from the income tax and withholding tax liabilities if they are resident in Ghana for thirty (30) days or less during any calendar year, as set out in Article 12.8 of the WCTP Petroleum Agreement.
- 1.5 Decommissioning and Abandonment. In fulfillment of the requirement in Article 12.10 of each Petroleum Agreement that detailed guidelines be issued regarding the implementation of provision for estimated costs of decommissioning and abandonment, the Minister hereby confirms, on behalf of the State, without prejudice to the ability of the Minister to issue further detailed guidelines consistent herewith, that:
- (A) provision of security for decommissioning and abandonment shall commence on the first day of the Calendar Month following the earlier of: (a) the Calendar Month in which fifty percent (50%) of the recoverable Crude Oil as set out in the most recently approved Unit Development Plan has been extracted from the Unit



Interval; or (b) the date that is five (5) years prior to the "End Date" (as defined in the Unitization Agreement);

- (B) security shall be furnished annually, commencing with the year in which the trigger for security described under clause 1.5(A) occurs, on a straight line basis in equal annual amounts over the period from the trigger year through the earlier of (i) the estimated year of decommissioning and abandonment, taking into account any adjustments to the estimated costs of decommissioning and abandonment and any adjustments to the date on which Production of Petroleum by the Unit Parties from the Jubilee Unit is expected to permanently cease during that period, or (ii) the date on which the Unitization Agreement is expected to terminate as a result of the termination of both Petroleum Agreements, or (iii) the date upon which the Unit Parties expect to relinquish the Jubilee Unit as a result of their determination that production of Petroleum from the Jubilee Unit is no longer economic;
- (C) at least sixty percent (60%) of the security provided shall take the form of cash or such other form of investment as may constitute Authorized Investments (as such term is defined in the Unitization Agreement) and no more than forty percent (40%) may take the form of an irrevocable standby letter of credit issued by a bank; or an on demand bond issued by a bank; or any other financial security agreed in writing by all Unit Parties from time to time; provided, however, that the bank holding the cash or issuing the standby letter of credit or bond (as applicable) has a credit rating for long-term unsecured debt of at least "AA" by Standard & Poor's or Aa2 by Moody's, or in the event neither such entity is issuing credit ratings for long-term unsecured debt, the equivalent rating by a comparable international credit agency, indicating it has a sufficient worth to pay its obligations in all reasonably foreseeable circumstances; and
- (D) each Unit Party shall remain liable for due payment of its liability for decommissioning costs. In the event that the security provided is insufficient to meet in full the costs of decommissioning, subject to the obligations of the Government under the Unitization Agreement, each Unit Party shall remain liable to pay its share of any outstanding costs required to complete the decommissioning and abandonment of the Jubilee Unit.

The trustee for the security provided shall furnish the Minister with copies of regular statements furnished to the Unit Parties (and in no event less frequently than monthly) showing the balance in the Decommissioning Trust Fund and Complementary Security held by the trustee, the amounts for the account of each Party, and all receipts and disbursements since the prior statement. Accounting accruals associated with abandonment obligations shall be allowed to be included as a deduction against chargeable income and in Additional Oil Entitlement calculations under each Petroleum Agreement in accordance with the terms of each Petroleum Agreement. To the extent that such accounting accrual deductions by any Unit Party exceed ultimate expenditure by that Unit Party for decommissioning and abandonment, such excess amounts shall become chargeable income to that Unit Party.



- 1.6 Valuation of Natural Gas. As provided in Article 14.16 and Article 14.19 of each Petroleum Agreement, the actual negotiated price for Natural Gas to be sold pursuant to the Petroleum Agreements shall be used for purposes of calculation of Additional Oil Entitlements under each Petroleum Agreement, calculation of income tax, profits tax, withholding tax and all other taxes with respect to each party within the Contract Group, calculation of royalties under each Petroleum Agreement, and for all other purposes of the Petroleum Agreements. The provisions of Article 14.20 of the WCTP Petroleum Agreement shall not apply to Natural Gas produced from the Jubilee Unit.
- 1.7 Audits. Audits of the books and records of the Unit Operator with respect to Petroleum Operations regarding the Jubilee Unit shall be governed by Article 18.6 of the DWT Petroleum Agreement. Article 18.6 of the WCTP Petroleum Agreement shall not apply. For the avoidance of doubt, an audit of the Jubilee Unit books and records conducted by GNPC with respect to one Petroleum Agreement will be considered to be an audit of the Jubilee Unit conducted by GNPC with respect to both Petroleum Agreements. Notwithstanding the foregoing, nothing shall restrict GNPC's right to audit the books and records with respect to Petroleum Operations not related to the Jubilee Unit in accordance with the Petroleum Agreements.
- 1.8 Employment and Secondment. Without prejudice to the obligation of each Contract Group to pay training allowances under Article 21.1 of the DWT Petroleum Agreement and the WCTP Petroleum Agreement, employment and secondment of Ghanaian and GNPC personnel in Petroleum Operations related to the Jubilee Unit shall be deemed to apply in part toward the fulfillment of the DWT Contract Groups' obligations under Articles 21.3 and 21.4 of the DWT Petroleum Agreement and in part toward the fulfillment of the WCTP Contract Groups' obligations under Articles 21.2 and 21.3 of the WCTP Petroleum Agreement.
- 1.9 Use of Facilities After Termination of One Petroleum Agreement. In the event of the expiration, termination or surrender of a Petroleum Agreement, the Contract Group for the remaining Petroleum Agreement shall have the right, on the same terms and at no additional charge, to continue to make use of all facilities acquired or constructed for purposes of Petroleum Operations relating to the Jubilee Unit, even if located on the Contract Area for the expired, terminated or surrendered Petroleum Agreement, for so long as the remaining Petroleum Agreement remains in effect. For the avoidance of doubt, in the event of such expiration, termination or surrender, the use of producing wells, and sharing of Petroleum production from such wells, shall be in accordance with clause 1.6 of the Government Approval.
- 1.10 Dispute Resolution. Disputes between Tullow, Kosmos, Anadarko, Sabre and/or EO Group, or their successors and assigns (the "Private Unit Parties") on one hand and the Government and GNPC or either of them on the other hand (the Government and GNPC on one hand and the Private Unit Parties on the other hand each referred to as a "Party" and collectively as the "Parties") arising out of, related to or connected with any terms and conditions of the Government Approval or this Acknowledgment or the terms and conditions of either Petroleum Agreement to the extent relating to the Jubilee Unit, save as otherwise described below, (each such dispute a "Dispute") shall be resolved in



accordance with the dispute resolution procedures set forth in Article 24 of the DWT Petroleum Agreement, provided that the "Contractor" for such Dispute shall consist of all the Private Unit Parties.

Disputes between one or more of the Private Unit Parties and GNPC in relation to or in connection with or arising out of the terms and conditions of the Unitization Agreement or the operations carried out under the Unitization Agreement shall be resolved pursuant to the dispute resolution provisions of the Unitization Agreement.

Disputes relating solely to any terms and conditions of one Petroleum Agreement shall continue to be resolved pursuant to Article 24 of that Petroleum Agreement.

If the subject matter of a Dispute and an arbitration proceeding under a Petroleum Agreement and/or the Government Approval and/or this Acknowledgment and/or the Unitization Agreement are related by common questions of law or fact, then such proceedings may be consolidated into a single arbitral proceeding, as determined by the tribunal constituted under the Unitization Agreement (or, if none, the tribunal constituted under the Government Approval).

- 1.11 Billings, Cash Calls and Currency Translations. Billings and cash calls to GNPC for any Petroleum Costs for which GNPC is responsible in accordance with its cost-bearing interest in the Jubilee Unit, and procedures for currency translation for Petroleum Costs with respect to the Jubilee Unit, shall be carried out in accordance with the Unitization Agreement in lieu of the separate cash call statements, and currency translation procedures, required by Annex 2 of each Petroleum Agreement.
- 1.12 Overhead Charges. Overhead charges at the percentage rates set forth below shall apply as between the State and GNPC and the Contract Groups for purposes of the Petroleum Agreements in lieu of the overhead charges set forth in Section 2.6.2 of Annex 2 of each Petroleum Agreement (all amounts in US dollars).

For Development Expenditures::

\$0 - \$20,000,000	1.25%
\$20,000,001 to \$25,000,000	1.0%
\$25,000,001 to \$40,000,000	0.5%
Over \$40,000,000	0.25%

The amount of overhead charged under the Unitization Agreement for development expenditures in any one (1) Calendar Year calculated on the graduated scale shall be subject to a total maximum cap of three million US dollars (\$3,000,000) for the two Petroleum Agreements.

Any development overhead with respect to Petroleum Operations under the Unitization Agreement in excess of a combined three million US dollars (\$3,000,000) for the two



JA
AM
XB



Petroleum Agreements in any one (1) Calendar Year shall be disallowed as Petroleum Costs under either Petroleum Agreement.

For production expenditures:

\$0 - \$20,000,000	1.25%
\$20,000,001 to \$25,000,000	1.0%
\$25,000,001 to \$40,000,000	0.5%
Over \$40,000,000	0.25%

The amount of overhead charged under the Unitization Agreement for production expenditures in any one (1) Calendar Year calculated on the graduated scale shall be subject to a total maximum cap of five hundred thousand US dollars (\$500,000) for the two Petroleum Agreements.

Any production overhead with respect to Petroleum Operations under the Unitization Agreement in excess of a combined five hundred thousand US dollars (\$500,000) for the two Petroleum Agreements in any one (1) Calendar Year shall be disallowed as Petroleum Costs under either Petroleum Agreement.

For Decommissioning Costs: 0.25%

The amount of overhead charged under the Unitization Agreement for Decommissioning Costs in any one (1) Calendar Year shall be subject to a total maximum cap of five hundred thousand US dollars (\$500,000) for the two Petroleum Agreements.

Any decommissioning overhead charged with respect to Petroleum Operations under the Unitization Agreement in excess of a combined five hundred thousand US dollars (\$500,000) for the two Petroleum Agreements in any one (1) Calendar Year shall be disallowed as Petroleum Costs under either Petroleum Agreement.

Provided further, for the avoidance of doubt, (i) lease day rate payments for a floating production, storage and offloading vessel (FPSO) shall be considered development costs for purposes of each Petroleum Agreement and (ii) decommissioning costs with respect to Unit facilities shall be considered production costs for purposes of each Petroleum Agreement. The term "Decommissioning Costs" when used in this clause 1.12 shall have the meaning given to such term in the Unitization Agreement.

ARTICLE 2 TERMINOLOGY

Capitalized terms used in this Acknowledgment that are not specifically defined herein shall have the meaning given to those terms in the Petroleum Agreements.



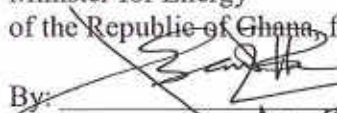
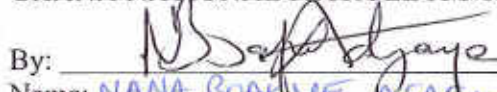


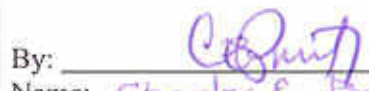

Except as explicitly set out in this Acknowledgment, the terms, conditions, rights and obligations under the Petroleum Agreements shall remain in full force and effect.

This Acknowledgment shall be governed by and construed in accordance with the laws of the Republic of Ghana and the Minister, on behalf of the State, and the Unit Parties may enforce the unitization of the Jubilee Field in accordance with the terms of the Unitization Agreement under the terms of this Acknowledgment and the Government Approval.

[Signature Pages Follow]



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

	<p>Minister for Energy of the Republic of Ghana, for and on behalf of the State</p> <p>By: </p> <p>Name: <u>DR JOE OTENG-AGYE</u></p> <p>Date: <u>13th July 2009</u></p>
	<p>GHANA NATIONAL PETROLEUM CORPORATION</p> <p>By: </p> <p>Name: <u>NANA BOAKYE AGYE-ADYAE</u></p> <p>Title: <u>MANAGING DIRECTOR</u></p> <p>Date: <u>13 JULY 2009</u></p>
	<p>TULLOW GHANA LIMITED</p> <p>By: </p> <p>Name: <u>DAI JONES</u> <i>not a sign</i></p> <p>Title: <u>PRESIDENT AND GENERAL MANAGER</u> <i>not a sign</i></p> <p>Date: <u>13/07/09</u></p>
	<p>KOSMOS ENERGY GHANA HC</p> <p>By: </p> <p>Name: <u>ANDY MORMON</u></p> <p>Title: <u>ASST MANAGER</u></p> <p>Date: <u>13-July-2009</u></p>
	<p>ANADARKO WCTP COMPANY</p> <p>By: </p> <p>Name: <u>Charles E. Frost</u></p> <p>Title: <u>Vice President</u></p> <p>Date: <u>13/07/09</u></p> <p></p>

Set
AM
[Signature]

	<p>SABRE OIL & GAS HOLDINGS LIMITED</p> <p>By: _____</p> <p>Name: <u>KOFI ESSON</u></p> <p>Title: <u>ATTORNEY IN FACT</u></p> <p>Date: <u>13/07/09</u></p>
	<p>EO GROUP LIMITED</p> <p>By: _____</p> <p>Name: <u>George Ombasi</u></p> <p>Title: <u>Director</u></p> <p>Date: <u>13th JULY 2009</u></p>

JA
AM
XS

In case of Reply the number and date of this letter should be quoted



MINISTRY OF JUSTICE
P. O. BOX MB. 60
Accra

16th JULY 2009

Ref No: D57/SF.21

REPUBLIC OF GHANA

FAX No. 667609

Tel No: 682102

[Tullow Ghana Limited
Kosmos Energy Ghana HC
Anadarko WCTP Company
Sabre Oil & Gas Holdings Limited
EO Group Limited
Ghana National Petroleum Corporation]

Dear Sirs,

Re: Petroleum Field Unitization, Offshore The Republic Of Ghana

The Contractors to the West Cape Three Points (WCIP) Petroleum Agreement and the Deepwater Tano (DWT) Petroleum Agreement, as referenced below, have discovered a petroleum field offshore the Republic of Ghana consisting of multiple reservoirs that extend across the boundary between the Contract Areas covered by the WCTP Petroleum Agreement and the DWT Petroleum Agreement. The Minister for Energy has determined the initial boundaries of such field and that such field is required to be developed and exploited by the Contractors as a single unit pursuant to unitization and engineering principles and practices in accordance with accepted international petroleum industry practices (the "Unitization") as confirmed by a letter from the Minister for Energy, Republic of Ghana dated November 25, 2008.

In rendering the opinions set forth herein, I have examined:

1. The Constitution of the Republic of Ghana, 1992 and in particular Article 268 thereof (the "Constitution");
2. The Petroleum (Exploration and Production) Law, 1984 (PNDCL 84) (the "Petroleum Law"), and in particular section 1, section 2, section 4, subsection 7 and section 5 subsection 4 thereof;
3. The Petroleum Agreement dated July 22, 2004 with respect to the West Cape Three Points Block Contract Area located offshore the Republic of Ghana entered into by Tullow Ghana Limited, Kosmos Energy Ghana HC, Anadarko WCTP Company, Sabre Oil & Gas Holdings Limited and EO Group Limited, or their predecessors-in-interest, with the Government of the Republic of Ghana

(represented therein by the Minister for Energy) and Ghana National Petroleum Corporation ("GNPC") (the "WCTP Petroleum Agreement"), and in particular Articles 8.20, 26.3 and 26.9 thereof;

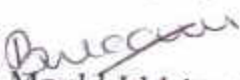
4. The Petroleum Agreement dated March 10, 2006 with respect to the Deepwater Tano Contract Area located offshore the Republic of Ghana entered into by Tullow Ghana Limited, Kosmos Energy Ghana HC, Anadarko WCTP Company and Sabre Oil & Gas Holdings Limited, or their predecessors-in-interest, with the Government of the Republic of Ghana (represented therein by the Minister for Energy) and GNPC (the "DWT Petroleum Agreement" and together with the WCTP Petroleum Agreement, the "Petroleum Agreements"), and in particular Articles 8.20, 26.3 and 26.10 thereof;
5. The letter from the Minister for Energy, the Republic of Ghana dated November 25, 2008 determining the initial boundaries of the petroleum field referenced above and that such field is required to be developed and exploited by the Contractors as a single unit pursuant to unitization and engineering principles and practices in accordance with accepted international petroleum industry practices;
6. The Unitization and Unit Operating Agreement, executed on July 13, 2009 by Tullow Ghana Limited, Kosmos Energy Ghana HC, Anadarko WCTP Company, Sabre Oil & Gas Holdings Limited, EO Group Limited and GNPC (the "Unitization Agreement"), setting forth the terms on which the petroleum field referenced above (the "Field") will be developed and operated pursuant to unitization as a single unit; and
7. The form of Government Approval instrument attached as Exh. Q, Part 1 to the Unitization Agreement, executed on July 13, 2009 on behalf of the Government of the Republic of Ghana by the Minister for Energy (the "Government Approval") and
8. The form of Contract Acknowledgment attached as Exhibit Q, Part 2 to the Unitization Agreement, executed on July 13, 2009, by Minister for Energy on behalf of the Government of the Republic of Ghana, Tullow Ghana Limited, Kosmos Energy Ghana HC, Anadarko WCTP Company, Sabre Oil & Gas Holdings Limited, EO Group Limited and GNPC (the "Acknowledgment");
9. The Certificates of Incumbency for the Minister for Energy of the Republic of Ghana and the Attorney General of the Republic of Ghana annexed hereto and executed by the Secretary to the President of the Republic of Ghana.

In my opinion:

- A. The form and content of the Government Approval and the Acknowledgment are consistent with and do not conflict with the Constitution and the applicable laws, statutes, rules and regulations of the Republic of Ghana;

- B. The Government Approval, as executed, provides all necessary consents and approvals required to be obtained under the Constitution, the laws, statutes, rules and regulations of the Republic of Ghana, and the Petroleum Agreements, for the Unitization of the Field, including without limitation any consents and approvals under section 4, subsection 7 of the Petroleum Law or under Article 8.20 of each Petroleum Agreement;
- C. The Government Approval and the Acknowledgment, as executed, provide all necessary consents and approvals required to be obtained under the Constitution, the laws, statutes, rules and regulations of the Republic of Ghana, and the Petroleum Agreements, for the other matters authorized by the express terms of the Government Approval and the Acknowledgment, including without limitation any consents and approvals under section 4 subsection 7 of the Petroleum Law or under Article 8.20 of each Petroleum Agreement;
- D. No approval of Parliament, the Cabinet of Ministers or other governmental bodies or officials in the Republic of Ghana, besides: (a) the Minister for Energy through his execution of the Government Approval; (b) the Minister for Energy and GNPC through the execution of the Acknowledgment; and (c) GNPC through its execution of the Unitization Agreement; is required in connection with the consents and approvals described in paragraphs B and C of this Opinion or otherwise in connection with the Government Approval and the Acknowledgment; and
- E. The Minister for Energy is empowered and authorized on behalf of the Republic of Ghana:
- (i) To determine that the Field is required to be developed and exploited by the Contractors as a single unit pursuant to unitization
 - (ii) To execute the Government Approval,
 - (iii) To execute the Acknowledgment,
 - (iv) To approve the Unitization of the Field, and
 - (v) To take all such other actions as are required to fully implement the terms of the Government Approval and the Acknowledgment without the need for any further approval or consent from any other authority of the Republic of Ghana.

Yours faithfully,


Betty Mould-Iddrisu (Mrs.)
Attorney General &
Minister for Justice

In case of reply the number and date of this letter should be quoted.

My Ref No.....

Your Ref. No.....



REPUBLIC OF GHANA

OFFICE OF THE PRESIDENT
THE CASTLE-OSU
ACCRA
TEL. 665415

16TH JULY, 2009

**TULLOW GHANA LIMITED,
KOSMOS ENERGY GHANA HC,
ANADARKO WCTP COMPANY,
SABRE OIL & GAS HOLDINGS LIMITED,
EO GROUP LIMITED,
GHANA NATIONAL PETROLEUM CORPORATION**

Gentlemen,

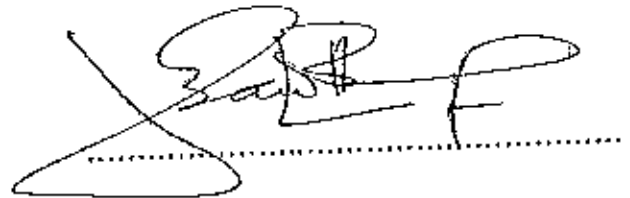
CERTIFICATE OF INCUMBENCY

In the performance of my duties as Secretary to the President of the Republic of Ghana, I hereby confirm and certify on behalf of the Government of Ghana as follows:-

1. That Dr. Joseph Oteng-Adjei, whose specimen signature appears below has been duly appointed to and is duly holding as at the date of the execution of this letter, the office of the Minister for Energy of the Republic of Ghana and in such capacity is authorized to carry out the duties and responsibilities of the said office.
2. That Dr. Joseph Oteng-Adjei is accordingly authorized to perform on behalf of the Republic of Ghana such obligations and responsibilities as are stipulated in the Constitution and Laws of the Republic of Ghana and such functions as she is required to perform in relation to petroleum exploration and production activities in Ghana, including but not limited to the execution of *any* agreements, delegations, certifications and other documentation.

3. That the signature appearing opposite the name of Dr. Joseph Oteng-Adjei is his true and authentic signature.

**JOSEPH OTENG-ADJEI (DR.)
MINISTER FOR ENERGY**

A handwritten signature in black ink, appearing to read 'Joseph Oteng-Adjei', written over a horizontal dotted line.

IN WITNESS WHEREOF I have executed this certificate in the name and on behalf of the Republic of Ghana this 16th day of July, 2009.

A large, stylized handwritten signature in black ink, written over a horizontal dotted line.

**J. K. BEBAAKO-MENSAH
THE SECRETARY TO THE PRESIDENT,
THE CASTLE-OSU,
A C C R A.**

**J, K. BEBAAKO-MENSAH
Secretary to the President
OFFICE OF THE PRESIDENT
CASTLE-OSU**

In case of reply the number and date of this letter should be quoted.

My Ref No.....

Your Ref. No.....



OFFICE OF THE PRESIDENT
THE CASTLE-OSU
ACCRA
TEL. 665415

16TH JULY, 2009

**TULLOW GHANA LIMITED,
KOSMOS ENERGY GHANA HC,
ANADARKO WCTP COMPANY,
SABRE OIL & GAS HOLDINGS LIMITED,
EO GROUP LIMITED,
GHANA NATIONAL PETROLEUM CORPORATION**

Gentlemen,

CERTIFICATE OF INCUMBENCY

In the performance of my duties as Secretary to the President of the Republic of Ghana, I hereby confirm and certify on behalf of the Government of Ghana as follows:

1. That Mrs. Betty Mould-Iddrisu, whose specimen signature appears below has been duly appointed to and is duly holding as at the date of the execution of this letter, the office of the Attorney General and Minister for Justice of the Republic of Ghana and in such capacity is authorized to carry out the duties and responsibilities of the said office.
2. That Mrs. Betty Mould-Iddrisu is accordingly, authorized to perform on behalf of the Republic of Ghana such obligations and responsibilities as are stipulated in the Constitution and Laws of the Republic of Ghana and such functions as she is required to perform in relation to petroleum exploration and production activities in Ghana.

3. That the signature appearing opposite the name of Mrs. Betty Mould-Iddrisu is her true and authentic signature.

**BETTY MOULD-IDDRISU (MRS.)
ATTORNEY-GENERAL AND
MINISTER FOR JUSTICE**

Betty Mould-Iddrisu

IN WITNESS WHEREOF I have executed this certificate in the name and on behalf of the Republic of Ghana this 16th day of July, 2009.



**J. K. BEBAAKO-MENSAH
THE SECRETARY TO THE PRESIDENT
THE CASTLE-OSU
A C C R A.**

J, K. BEBAAKO-MENSAH
Secretary to the President
OFFICE OF THE PRESIDENT
CASTLE-OSU



July 9th, 2009

To: Sabre Oil & Gas Holdings Limited ("Sabre")
Akara Building, 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, British
Virgin Islands

From: BNP Paribas, as security trustee for the Finance Parties (the "Security Trustee")
10 Harewood Avenue, London, NW1 6AA

We refer to the following documents:

- (A) Facility agreement dated May 27, 2008 and restated as of May 29, 2009 and made between (1) Sabre as borrower, (2) BNP Paribas as mandated lead arranger, (3) the financial institutions listed in Part II of Schedule 1 as lenders, (4) BNP Paribas as agent of the other Finance Parties and (5) the Security Trustee (the "Facility Agreement"); and
- (B) Debenture dated May 27, 2008 and made between Sabre and the Security Trustee (the "Debenture"); and
- (C) Unitization and Unit Operating Agreement dated on or about the date of this letter and made between Sabre, Ghana National Petroleum Corporation, Tullow Ghana Limited, Kosmos Energy Ghana HC, Anadarko WCTP Company, and EO Group Limited (the "Unitization Agreement"); and
- (D) Letter dated as of April 14, 2009 from the Security Trustee to Sabre regarding certain matters in respect of the Facility Agreement, Debenture and Unitization Agreement (the "Original Side Letter").

Gentlemen:

- 1. Terms used but not defined herein shall where applicable have the meanings given to them in the Debenture.
- 2. As security for the Lenders making certain facilities available under the Facility Agreement, Sabre entered into the Debenture which among other things granted the Security Trustee certain fixed and floating charges over the assets of Sabre. Sabre is proposing to enter into the Unitization Agreement and has requested that the Security Trustee make the confirmations and agreements set out in paragraph 3 below.
- 3. The Security Trustee hereby:
 - 3.1 without recourse or warranty, re-assigns any right, title or interest that it may hold in and to the Specified Contracts that have become or shall become



- subject to the Unitization Agreement in accordance with the terms thereof, to Sabre;
- 3.2 agrees that it will not, prior to the execution by all parties of the Unitization Agreement, take any action that would cause the assignment by Sabre to the Security Trustee of the Specified Contracts referred to in Clause 3.2 (*Assignment*) of the Debenture to become effective with respect to any of Sabre's right, title and interest in and to the Specified Contracts that have become or shall become subject to the Unitization Agreement in accordance with the terms thereof;
- 3.3 releases from the fixed security constituted by any of the Debenture (including without limitation the fixed charge established by Clause 3.1 thereof), the Facility Agreement, the other Finance Documents and any other documents entered into in relation thereto, effective as of the "Effective Date" under the Unitization Agreement, all of Sabre's right, title and interest in and to the assets described in Clause 3.1.1 and 3.1.8 of the Debenture to the extent Sabre's right, title and interest therein has become or shall become subject to the Unitization Agreement in accordance with the terms thereof;
- 3.4 releases from the floating security constituted by any of the Debenture (including without limitation the floating charge established by Clause 4 thereof), the Facility Agreement, the other Finance Documents and any other documents entered into in relation thereto, effective as of the "Effective Date" under the Unitization Agreement, all of Sabre's right, title and interest in and to the assets described in Clause 4.1 of the Debenture to the extent, and only to the extent, of the interests in such assets received by the other parties to the Unitization Agreement upon unitization pursuant to Article 4 thereof;
- 3.5 confirms and acknowledges that in relation to the floating charge created by Clause 4 of the Debenture: (i) it is not aware of any event that has resulted in the crystallisation of the floating charge and accordingly, by virtue of clause 7 of the Debenture Sabre is entitled to enter into the Unitization Agreement without causing the floating charge to crystallise; and (ii) it has not itself taken any action which has resulted in the crystallisation of the floating charge;
- 3.6 consents to the execution of the Unitization Agreement, and that certain First Amendment to the Joint Operating Agreement in Respect of the West Cape Three Points Block Offshore Ghana and that certain Second Amendment to the Joint Operating Agreement in Respect of the Deepwater Tano Contract Area, Offshore Ghana, to be executed in connection therewith, by Sabre for the purposes of Clauses 7.2 (*Negative Pledge*), 7.3 (*Restrictions on Disposals*) and 7.23 (*Specified Contracts*) of the Debenture and as otherwise may be required under the Facility Agreement, Debenture, or other documents executed with respect thereto; and



- 3.7 agrees that, subject to paragraph 4, until after execution of the Unitization Agreement by all parties thereto (or, if later, the "Effective Date" specified therein), it will not request or receive from Sabre or agree to the creation by Sabre of, or otherwise exercise any rights to establish or reinstate any security over any of Sabre's right, title and interest in and to the Specified Contracts and any other property, assets and rights that have become subject to the Unitization Agreement or shall become subject to the Unitization Agreement in accordance with the terms thereof, it being the intention of the Security Trustee to perfect security over such assets of Sabre (including its rights under the Unitization Agreement) by taking a further deed of charge from Sabre over the same after the Unitization Agreement has been executed.
4. The confirmations and agreements in paragraph 3 will cease to have effect if Sabre has not entered into the Unitization Agreement within thirty (30) days of the date of this letter.
5. On or before execution of the Unitization Agreement, the Security Trustee will, and by its counter-signature of this letter Sabre agrees that it will, execute a deed of amendment to the Debenture to the following effect:
- 5.1 the following new definition will be added to Clause 1.1 (*Definitions*), "'UUOA" means: the Unitization and Unit Operating Agreement dated July __, 2009 and made between the Chargor, Ghana National Petroleum Corporation, Tullow Ghana Limited, Kosmos Energy Ghana HC, Anadarko WCTP Company, and EO Group Limited" and the definition of "Specified Contracts" will be amended to include the Unitization Agreement;
- 5.2 Clauses 7.2 (*Negative Pledge*) and 7.3 (*Restriction on Disposals*) of the Debenture shall be amended by adding at the end of each such Clause (for the avoidance of doubt the end of such Clause means after the words "Facility Agreement") the following: "or as provided for in Article 5 (*Tract Participations and Unit Interests*), Article 6 (*Non-Unit Operations: Use of Unit Facilities*) Article 10 (*Default*), Article 12 (*Decommissioning*), Article 13 (*Maintenance, Termination etc.*) or Article 15 (*Withdrawal*) of the UUOA"; and
- 5.3 The following shall be added after Petroleum Agreements in Schedule 2 (*Specified Contracts*) of the Debenture:

Document	Date	Original Parties
Unitization Agreement	July , 2009	The Chargor, Ghana National Petroleum Corporation, Tullow Ghana Limited, Kosmos Energy Ghana HC.



		Anadarko WCTP Company and EO Group Limited.
--	--	---

6. Except to the extent expressly modified herein, the provisions of the Facility Agreement and the Debenture remain in full force and effect in accordance with their respective terms, nothing contained herein shall prejudice any of the rights of the Finance Parties under the Finance Documents and there shall not be any deemed waiver of any breach or potential breach by Sabre or any Obligor under the Finance Documents.
7. Notwithstanding paragraph 3.6 above, nothing in this letter shall constitute or imply (a) any recommendation as to the commercial desirability or otherwise of Sabre entering into the Unitization Agreement or (b) any approval by any Finance Party of the terms of the Unitization Agreement.
8. This letter may be executed in any number of counterparts each of which shall be deemed to be an original and all of such counterparts taken together shall be deemed to constitute one and the same instrument. The parties acknowledge and agree that this letter is also intended to be for the benefit of the other parties to the Unitization Agreement, in addition to Sabre.
9. The provisions of Clause 26 (*Governing Law*) and Clause 27 (*Enforcement*) of the Debenture shall be incorporated into this letter as if set out in full in this letter.
10. The parties hereto acknowledge and agree that this letter amends and restates the Original Side Letter in its entirety.
11. Each party is causing its duly authorized representative to execute and deliver this letter as a deed.

If the foregoing accurately reflects your understanding and agreement regarding the foregoing, please sign in the space below and return one original of this letter, fully executed, to the undersigned.

[Signature Pages Follow]



Yours faithfully

Signed as a deed for and on behalf of:

Yours faithfully

BNP PARIBAS, as Security Trustee for the Finance Parties

By: 
Name: REMY COLLONGES-DUFOULEUR
Title: REMY COLLONGES-DUFOULEUR

AGREED and ACCEPTED as of the 13 day of July, 2009:

Signed as a deed for and on behalf of:

SABRE OIL & GAS HOLDINGS LIMITED

By: 
Name: KOFI ESSON
Title: GOVT & EXTERNAL AFFAIRS

SEISMIC DATA LICENSE AGREEMENT

THIS SEISMIC DATA LICENSE AGREEMENT (this "License Agreement") is entered into this 13 day of July, 2009, by and among Ghana National Petroleum Corporation, a public corporation existing under the laws of the Republic of Ghana and established by Provisional National Defence Council Law 64 of 1983 (hereinafter referred to as "Licensor"), Tullow Ghana Limited, a company existing under the laws of Jersey, Channel Islands; Kosmos Energy Ghana HC, a company existing under the laws of the Cayman Islands; Anadarko WCTP Company, a company existing under the laws of the Cayman Islands; Sabre Oil & Gas Holdings Limited, a company existing under the laws of the British Virgin Islands; and EO Group Limited, a company existing under the laws of the Cayman Islands. The companies named above, excluding Licensor, are hereinafter sometimes referred to as "Licensees", and Licensor, the Licensees and their respective successors and assigns (if any), may sometimes individually be referred to herein as a "Party" and collectively as the "Parties".

WHEREAS, Licensor, as licensor, and certain of the Licensees, as licensees, are parties to those certain seismic data license agreements or authorizations described in Schedule A attached hereto and made a part hereof for all purposes (the "Existing Data License Agreements") covering the seismic data described in Schedule B attached hereto and made a part hereof for all purposes (the "Existing Data"); and

WHEREAS, of even date with this License Agreement, the Parties have entered into that certain Unitization and Unit Operating Agreement dated as of 13 July, 2009, providing for unitization and development of a petroleum field consisting of multiple reservoirs located offshore the Republic of Ghana (the "UUA"), upon the terms and conditions set forth therein; and

WHEREAS, Article 4.6 of the UUA provides that the Parties shall enter into a new data license agreement under which Licensor shall grant to all of the Licensees the right to use the Existing Data upon the terms hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements and obligations set out below and to be performed, the Parties agree as follows (capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the UUA):

1. Grant of License

- 1.0 Licensor grants the Licensees a non-exclusive limited right license for the use (subject to the restrictions herein) of the Existing Data.
- 1.1 Licensees acknowledge that the Existing Data licensed pursuant to this License Agreement is the proprietary property of Licensor and therefore each Licensee (separately) hereby agrees to indemnify Licensor for any breach by such Licensee of the terms of this License Agreement.

- 1.2 Licensor warrants that it has the full right, power and authority to grant the license granted to Licensees hereunder.
- 1.3 Licensees acknowledge that Licensor has the right to sell, trade, loan, and grant a license to use or otherwise make the Existing Data available to other parties.
2. Delivery of Data
- 2.0 Licensees acknowledge receipt of delivery of the Existing Data in accordance with the Existing Data License Agreements. Copies of the Existing Data may be made by any of the Licensees, at their expense, and delivered to other Licensees for their use in accordance with Article 4.
3. No License Fee
- 3.0 Licensor acknowledges receipt of all license fees payable under the Existing Data License Agreements. No further license fees shall be due or payable by Licensees to Licensor for use of the Existing Data under the terms of this License Agreement.
4. Use of Data
- 4.0 Subject to Article 4.1, the Existing Data may be used by the Licensees solely for the purposes of evaluating the hydrocarbon potential of the Unit Interval and conducting Unit Operations under the UUOA.
- 4.1 Nothing contained in this License Agreement shall diminish or impair a Licensee's right to use Existing Data covered by any Existing Data License Agreement to which such Licensee is a party to the full extent such use is permitted in accordance with the terms of such Existing Data License Agreement. Further, no termination of this License Agreement shall terminate any Existing Data License Agreement or the right of use of Existing Data covered thereby by any Licensee who is a party thereto.
- 4.2 No Licensee may sell or trade the Existing Data.
5. Confidentiality
- 5.0 All of the Existing Data licensed under this License Agreement is deemed by Licensor to be strictly **CONFIDENTIAL** information and Licensees undertake to use such Existing Data only as stipulated in this License Agreement. Disclosure to persons other than those defined in this License Agreement shall be deemed to be a material breach of this License Agreement.
- 5.1 Licensees shall not make available the Existing Data to third parties except to:
- (i) consultants for the purposes of interpreting and reprocessing the Existing Data for any Licensee or Licensees;



- (ii) their respective affiliates and the employees, officers and directors of Licensees or any of their respective affiliates. "Affiliate" means, with respect to any Licensee, any company or entity which (a) controls such Licensee either directly or indirectly, or (b) is controlled either directly or indirectly by such Licensee, or (c) is directly or indirectly controlled by a company or entity which directly or indirectly controls such Licensee, or (d) holds any share capital or voting rights in such Licensee or is otherwise a shareholder or partner in such Licensee. The word "control" means the right to exercise 50% or more of the voting right in a company or entity;
- (iii) bona fide potential assignees of all or part of a Licensee's Unit Interest provided Licensor is given prior notice of such potential assignee;
- (iv) any banks or other lending institutions for the purposes of financing the Unit or any Licensee's or Licensees' participating interests in the Unit;
- (v) Governmental Authorities to the extent required by law, provided GNPC is notified about such disclosure; and
- (vi) the extent necessary in any arbitration proceedings or proceedings before an Expert or proceedings before any court;

provided that such persons referred to in clauses (i), (iii) and (iv) of this Article 5.1 shall agree in writing for the benefit of Licensor to keep such Existing Data confidential; and provided further that any assignee pursuant to clause (iii) to which any Existing Data is made available by any Licensee upon such an assignment of a Unit Interest to such assignee shall make payment to Licensor for such Existing Data under the same terms and conditions set forth in the Existing Data License Agreement covering such Existing Data to which such Licensee is a party.

5.2 The **CONFIDENTIALITY** obligation of this License Agreement shall be a continuing one and survive termination of this Agreement.

6. Term of Agreement

6.0 This License Agreement shall be in effect from the Effective Date and shall continue in effect as to a Licensee until such time as any one of the following events occur with respect to such Licensee:

- (i) such Licensee ceases to have any Unit Interest;
- (ii) such Licensee becomes insolvent, goes into liquidation or makes assignment to its creditors;
- (iii) the ownership and/or control of such Licensee comes under the control of a previously unnamed third party subsequent to the Effective Date; or



(iv) the UUA is terminated in accordance with its terms.

6.1 Subject to each Licensee's right of use under any Existing Data License Agreement to which such Licensee is a party, upon termination of this License Agreement, each Licensee to whom Existing Data was previously delivered by Licensor as mentioned in Article 2 shall promptly return such Existing Data to Licensor and each Licensee shall destroy all copies and reproductions (both written and electronic) of the Existing Data in its possession and in the possession of persons to whom it was disclosed.

7. Assignment

7.0 Subject to Article 7.1, the rights and obligations under this License Agreement may not be assigned in whole or in part by any Licensee without the prior written consent of Licensor.

7.1 Each Licensee may assign its rights and obligations under this License Agreement to any assignee to whom such Licensee Transfers its Unit Interest pursuant to and in accordance with the UUA. No such assignment of rights and obligations under this License Agreement shall be effective, however, unless and until such Licensee shall have notified all the Parties of such assignment in writing.

8. Applicable Law

8.0 This License Agreement shall be subject to and construed in accordance with the laws of Ghana and the Courts of Ghana shall have jurisdiction to hear all disputes that cannot be amicably settled between the Parties. The Parties waive their rights to claim or recover any indirect, special or consequential damages or punitive, multiple or other exemplary damages (whether statutory or common law).

9. Execution in Multiple Counterparts


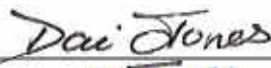


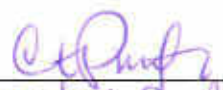

9.0 This License Agreement may be executed in any number of counterparts and each such counterpart shall be deemed an original License Agreement for all purposes; provided that no Party shall be bound to this License Agreement unless and until all Parties have executed a counterpart. For purposes of assembling all counterparts into one document, Unit Operator is authorized to detach the signature page from one or more counterparts and, after signature thereof by the respective Party, attach each signed signature page to a counterpart.

10. Entirety

10.0 With respect to the subject matter contained herein, this License Agreement (together, where applicable, with the Existing Data License Agreements) (i) is the entire agreement of the Parties; and (ii) supersedes all prior understandings and negotiations of the Parties.





IN WITNESS WHEREOF, the Parties have, on the respective dates stated below, appended their signatures.

	<p>GHANA NATIONAL PETROLEUM CORPORATION</p> <p>By: <u></u> <u>NANA BOAKYE ASAFO-ADIYEE</u> (Print or type name) Title: <u>MANAGING DIRECTOR</u> Date: <u>13 JULY 2009</u></p>
	<p>TULLOW GHANA LIMITED</p> <p>By: <u></u> <u></u> <u>DAI JONES</u> <u>ANTHONY DJOIKPO</u> (Print or type name) <u>SENIOR LEGAL COUNSEL</u> Title: <u>PRESIDENT AND GENERAL MANAGER</u> Date: <u>13/07/09</u></p>
	<p>KOSMOS ENERGY GHANA HC</p> <p>By: <u></u> <u>Andy Makmon</u> (Print or type name) Title: <u>Asst Manager</u> Date: <u>13-July-2009</u></p>
	<p>ANADARKO WCTP COMPANY</p> <p>By: <u></u> <u></u> <u>Charles E. Prociost</u> (Print or type name) Title: <u>Vice President</u> Date: <u>13/07/09</u></p>





	<p>SABRE OIL & GAS HOLDINGS LIMITED</p> <p>By: </p> <p>_____</p> <p>KOFI ESSON</p> <p>(Print or type name)</p> <p>Title: ATTORNEY IN FACT</p> <p>_____</p> <p>Date: 13/12/09</p> <p>_____</p>
	<p>EO GROUP LIMITED</p> <p>By: </p> <p>_____</p> <p>George Oweh</p> <p>(Print or type name)</p> <p>Title: Director</p> <p>_____</p> <p>Date: 13 JULY 2009</p> <p>_____</p>

JFA
AM &
KOFI
13

SCHEDULE A

Attached to and made a part of Seismic Data License Agreement between Ghana National Petroleum Corporation, Tullow Ghana Limited, et al

(Existing Seismic Data License Agreements)

1. License Agreement dated 19 February, 2004, between The Ghana National Petroleum Corporation, as Licensor, and Kosmos Energy L.L.C., as Licensee.
2. Data Transmittal Letter from Ghana National Petroleum Corporation to Kosmos Energy LLC, dated May 13, 2005.
3. Data Transmittal Letter from Ghana National Petroleum Corporation to Kosmos Energy LLC, dated August 9, 2005.
4. Data Transmittal Letter from Ghana National Petroleum Corporation to Tullow Oil Plc, dated November 10, 2005.
5. Data Transmittal Letter from Ghana National Petroleum Corporation to Tullow Oil Plc, dated December 8, 2005.
6. Data Transmittal Letter from Ghana National Petroleum Corporation to Tullow Oil Plc, dated May 30, 2006. [Referenced, but no copy delivered].
7. Data Transmittal Letter from Ghana National Petroleum Corporation to Tullow Oil Plc, dated June 6, 2006.
8. Data Transmittal Letter from Ghana National Petroleum Corporation to Kosmos Energy LLC, dated June 8, 2006.
9. Data Transmittal Letter from Ghana National Petroleum Corporation to Tullow Oil Plc, dated June 22, 2006.
10. Data Transmittal Letter from Ghana National Petroleum Corporation to Tullow Oil Plc, dated August 2, 2006.
11. Data Transmittal Letter from Ghana National Petroleum Corporation to Tullow Oil Plc, dated August 29, 2006.
12. Data Transmittal Letter from Ghana National Petroleum Corporation to Tullow Oil Plc, dated September 7, 2006.
13. Data Transmittal Letter from Ghana National Petroleum Corporation to Tullow Oil Plc, dated January 9, 2007.



14. Data Transmittal Letter from Ghana National Petroleum Corporation to Tullow Ghana Limited, dated January 29, 2008.



SCHEDULE B

Attached to and made a part of Seismic Data License Agreement between Ghana National Petroleum Corporation, Tullow Ghana Limited, et al

(Existing Data)

1. 3D Seismic Dataset obtained by CGG on behalf of Dana Petroleum pursuant to the Seismic Acquisition Agreement dated September 13th, 2000 over the West Tano Tract comprising approximately 1139 square km.
2. Processed 3D Seismic Dataset processed by CGG Veritas on behalf of Tullow Oil pursuant to the Seismic Processing Agreement dated November 9, 2006 with respect to the CGG Dataset listed in Paragraph (1) above.



SIDE AGREEMENT REGARDING OVERHEAD
CHARGEABLE UNDER
UNITIZATION AND UNIT OPERATING AGREEMENT

THIS SIDE AGREEMENT REGARDING OVERHEAD CHARGEABLE UNDER UNITIZATION AND UNIT OPERATING AGREEMENT (this "Agreement") is made this 13th day of JULY, 2009, by and between **Kosmos Energy Ghana HC**, a company existing under the laws of the Cayman Islands ("**Kosmos**"); **Anadarko WCTP Company**, a company existing under the laws of the Cayman Islands ("**Anadarko**"); **Tullow Ghana Limited**, a company existing under the laws of Jersey, the Channel Islands ("**Tullow**"); **Sabre Oil & Gas Holdings Limited**, a company existing under the laws of the British Virgin Islands ("**Sabre**") and **EO Group Limited**, a company existing under the laws of the Cayman Islands ("**EO Group**"). The Companies named above, and their respective successors and assigns (if any), may sometimes individually be referred to as a "**Party**" and collectively as the "**Parties**".

WITNESSETH:

WHEREAS, the Parties have entered into a Unitization and Unit Operating Agreement with Ghana National Petroleum Corporation ("**GNPC**") of even date herewith (as amended, supplemented and novated from time to time, the "**UUAO**").

WHEREAS, pursuant to Exhibit C to the UUAO (the "**Unit Accounting Procedure**"), the Unit Operator is entitled to charge the Unit Account monthly for the cost of indirect services and related office costs of the various Operators and their Affiliates not otherwise provided for in the Unit Accounting Procedure (the "**Overhead**").

WHEREAS, the terms of Section 2.7 of the Unit Accounting Procedure contain caps on the total amount of Overhead chargeable for development expenditures, for production expenditures, and for Decommissioning Costs, in any one Calendar Year, which caps were included at the request of GNPC.

WHEREAS, the Parties desire to agree that, as among themselves, those caps shall not apply.

WHEREAS, the terms of Section 2.7 of the Unit Accounting Procedure provide that the Parties, but not GNPC or any other Person Controlled by the Government, will pay an additional "**Special Overhead Charge**" as defined therein with respect to production expenditures.

WHEREAS, the Parties desire to clarify that, as among themselves, each Party shall pay only its Paying Interest share of such Special Overhead Charge.

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein, the Parties hereby agree as follows:

1. **Definitions**

Unless otherwise defined herein, capitalized terms used in this Agreement shall have the meanings ascribed to such terms in the UUOA.

2. **Overhead**

The Parties agree that, notwithstanding the terms of Section 2.7 of the Unit Accounting Procedure (and any terms of the Government Approval that approve such terms), each Party shall be liable for Overhead on the Unit Account expenditures in accordance with the percentages set forth therein without regard to:

- (a) the US \$3,000,000 annual cap on Overhead for development expenditures; or
- (b) the US \$500,000 annual cap on Overhead for production expenditures; or
- (c) the US \$500,000 annual cap on Overhead for Decommissioning Costs

contained in Section 2.7 of the Unit Accounting Procedure or in the Government Approval (the "Caps"). Amounts of Overhead charged above the Caps shall be referred to herein as "Additional Overhead". For the avoidance of doubt, each Party shall pay its actual Paying Interest share of the Additional Overhead, and no Party shall be obligated to pay what would have been GNPC's Paying Interest share of the Additional Overhead, were it a party to this Agreement.

3. **Special Overhead Charge**

The Parties agree that, notwithstanding the terms of Section 2.7 of the Unit Accounting Procedure (and any terms of the Government Approval that approve such terms), each Party shall be liable for only its Paying Interest share of the Special Overhead Charge. For the avoidance of doubt, no Party shall be obligated to pay what would have been GNPC's Paying Interest share of the Special Overhead Charge, were GNPC not Controlled by the Government.

4. **No Effect on Petroleum Costs or GNPC**

Each Party acknowledges that the Additional Overhead and Special Overhead Charge will not be recognized as Petroleum Costs under the Contracts. Nothing in this Agreement shall create any obligation on the part of GNPC or increase any obligation of GNPC.

5. **No Third Party Rights**

A person (a "third party") who is not a party to this Agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement notwithstanding that any such term may purport to confer or may be construed as conferring a benefit on such third party.

6. **Entire Agreement**

With respect to the subject matter contained herein, this Agreement constitutes the entire agreement of the Parties and supersedes all prior understandings and negotiations of the Parties.

7. Transfer

No Party may Transfer any interest in this Agreement except as provided in this Section 7. Any Transfer or Encumbrance of an interest in the UUOA by any Party must also include a Transfer or Encumbrance of the corresponding rights and obligations under this Agreement. Likewise, any Transfer or Encumbrance of an interest in this Agreement must include a Transfer or Encumbrance of the corresponding rights and obligations under the UUOA. Any transferee shall execute a novation agreement in which it undertakes, in form reasonably satisfactory to the other Parties, to perform the obligations of the transferor under this Agreement with respect to the interest being transferred, whenever accruing. Provided the transferee has satisfied the requirements set out in this Section 7, the transferor shall be released from any and all of its obligations hereunder in relation to such transferred interest; provided further, however, that, notwithstanding the Transfer, the transferor shall remain liable to the other Parties for any obligations, financial or otherwise, in relation to such transferred interest which have vested, matured or accrued under the provisions of this Agreement prior to the date of such Transfer.

8. Miscellaneous

The following Articles of the UUOA are incorporated by reference and shall apply, *mutatis mutandis*, to this Agreement: Article 17.2 (Confidentiality); Article 19 (Notices); Article 20 (Applicable Law - Dispute Resolution - Waiver of Immunity) and Articles 21.1 to 21.7 and 21.9 to 21.12 (General Provisions).

9. Counterparts

This Agreement may be executed in any number of counterparts with the same effect as if the signatures on the counterparts were upon a single engrossment of this Agreement provided that this Agreement shall not be effective until all the counterparts have been executed.

IN WITNESS WHEREOF this Agreement has been executed on behalf of the Parties by their duly authorised representatives on the day and year first above written.

Signed for and on behalf of

KOSMOS ENERGY GHANA HC

By: *Andy Moama*

Name: *Andy Moama*

Title: *Asset Manager*

Signed for and on behalf of

ANADARKO WCTP COMPANY

By: *C. E. Prunet, Jr.*



Name: *Charles E. Prunet, Jr.*

Title: *Vice President*

Signed for and on behalf of

TULLOW GHANA LIMITED

By: *Peter Sloan*

Name: *PETER SLOAN*

Title: *Group Legal Manager*

ANT MCK
ANTHONY DJACKSON
SENIOR LEGAL COUNSEL

Signed for and on behalf of

SABRE OIL & GAS HOLDINGS LIMITED

By: *Kofi Esidu*

Name: *KOFI ESIDU*

Title: *GOVT of EXTERNAL RELATIONS MGR.*

Signed for and on behalf of

EO GROUP LIMITED

By: *George Orosy*

Name: *GEORGE OROSY*

Title: *DIRECTOR*

SECOND AMENDMENT
TO
JUBILEE FIELD UNIT GHANA PRE-UNITIZATION AGREEMENT

THIS SECOND AMENDMENT (this "Amendment") is made this 13th day of JULY, 2009, by and among Tullow Ghana Limited, a company existing under the laws of Jersey, the Channel Islands ("Tullow"); Anadarko WCTP Company, a company existing under the laws of the Cayman Islands ("Anadarko"); Kosmos Energy Ghana HC, a company existing under the laws of the Cayman Islands ("Kosmos"); Sabre Oil & Gas Holdings Limited, a company existing under the laws of the British Virgin Islands ("Sabre"); and EO Group Limited, a company existing under the laws of the Cayman Islands ("EO"). The companies named above are herein sometimes collectively referred to as the "Parties" and individually referred to as a "Party".

WITNESSETH:

WHEREAS, the Parties are parties to a Pre-Unitization Agreement effective as of 22 February 2008, as amended by Novation Agreement dated 26th February 2009, by and among the Parties et al (such Pre-Unitization Agreement, as so amended, being herein referred to as the "PUA").

WHEREAS, the Parties wish to amend the PUA as hereinafter set forth.

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein, the Parties hereby agree as follows:

1. Definitions

Unless otherwise defined herein, capitalized terms used in this Amendment but not defined herein shall have the respective meanings ascribed to such terms in the PUA.

2. Termination

Clause 24.0 of the PUA is hereby deleted in its entirety and the following Clause 24.0 is hereby inserted in lieu thereof:

"24.0 Termination

Unless otherwise agreed by the Parties, this Agreement shall terminate on the date on which the definitive fully termed UOA becomes fully effective in accordance with its terms."

3. No Third Party Rights

A person (a "third party") who is not a party to this Amendment shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Amendment

notwithstanding that any such term may purport to confer or may be construed as conferring a benefit on such third party.

4. No Other Changes

Except as explicitly amended by this Amendment, the terms, conditions, rights and obligations under the PUA shall remain in full force and effect.

5. Counterparts

This Amendment may be executed in any number of counterparts with the same effect as if the signatures on the counterparts were upon a single engrossment of this Amendment provided that this Amendment shall not be effective until a counterpart has been executed by each Party.

IN WITNESS WHEREOF this Amendment has been executed on behalf of the Parties by their duly authorised representatives on the day and year first above written.

Signed for and on behalf of

TULLOW GHANA LIMITED

By: Peter Sloan

Name: PETER SLOAN

Title: Group Legal Manager

Anthony Ojokoro
ANTHONY OJOKORO
SENIOR LEGAL COUNSEL.

Signed for and on behalf of

ANADARKO WCTP COMPANY

By: Charles E. Provost, Jr.

Name: Charles E. Provost, Jr.

Title: Vice President



Signed for and on behalf of

KOSMOS ENERGY GHANA HC

By: Andy Morrison

Name: Andy Morrison

Title: Asset Manager

Signed for and on behalf of

SABRE OIL & GAS HOLDINGS LIMITED

By: Wafi Essid

Name: Wafi Essid

Title: GOVT & EXTERNAL RELATIONS MGR.

Signed for and on behalf of

EO GROUP LIMITED

By: 

Name: GEORGE OWUSU

Title: DIRECTOR

**SECOND AMENDMENT TO THE JOINT OPERATING AGREEMENT IN
RESPECT OF THE DEEPWATER TANO CONTRACT AREA, OFFSHORE GHANA**

THIS SECOND AMENDMENT AGREEMENT (this "Agreement") is made this 13th day of JULY, 2009, by and between **Tullow Ghana Limited**, a company existing under the laws of Jersey, the Channel Islands ("Tullow"); **Kosmos Energy Ghana HC**, a company existing under the laws of the Cayman Islands ("Kosmos"); **Anadarko WCTP Company**, a company existing under the laws of the Cayman Islands ("Anadarko") and **Sabre Oil & Gas Holdings Limited**, a company existing under the laws of the British Virgin Islands ("Sabre"). The Companies named above, and their respective successors and assigns (if any), individually referred to as a "Party" and collectively as the "Parties".

WITNESSETH:

WHEREAS, Tullow, Sabre Oil and Gas Limited and Kosmos entered into a Petroleum Agreement with the Government of the Republic of Ghana (the "Government") and the Ghana National Petroleum Corporation ("GNPC") dated March 10, 2006 covering the Deepwater Tano Contract Area, offshore Ghana (as amended, supplemented and novated from time to time, the "Contract").

WHEREAS, Tullow, Sabre Oil and Gas Limited and Kosmos entered into a Joint Operating Agreement dated August 15, 2006 in respect of the Deepwater Tano Contract Area, offshore Ghana (as amended, supplemented and novated from time to time, the "JOA").

WHEREAS, Tullow, Sabre Oil and Gas Limited, Kosmos and Anadarko, entered into a JOA Novation Agreement dated September 1, 2006 to evidence the assumption by Anadarko of an interest in the Contract and the JOA.

WHEREAS, Tullow, Sabre Oil and Gas Limited, Kosmos and Anadarko entered into an Amendment to the JOA on July 18, 2007 to appoint Anadarko as technical operator in respect of drilling a well.

WHEREAS, Tullow, Sabre Oil and Gas Limited, Kosmos, Anadarko and Sabre entered into a JOA Novation Agreement (Tano Deep) dated March 31, 2008 to evidence the assumption by Sabre of Sabre Oil and Gas Limited's interest in the Contract and the JOA.

WHEREAS, the Jubilee field extends across the boundary between the contract areas covered by the Contract and the contract areas covered by the Petroleum Agreement entered into by Tullow, Kosmos, Anadarko, Sabre and EO Group Limited, or their predecessors-in-interest, with the Government and GNPC dated July 22, 2004 covering certain areas located in the West Cape Three Points Block, offshore Ghana; and Tullow, Kosmos, Anadarko, Sabre and EO Group Limited together with GNPC have entered into a Unitization and Unit Operating Agreement of even date herewith setting forth the terms on which the Jubilee field will be exploited and developed as a single unit (the "Unitization Agreement").

WHEREAS, the Parties now wish to enter into this Agreement to set out certain amendments to the JOA which arise as a consequence of the Unitization Agreement.

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein, the Parties hereby agree as follows:

1. Definitions

Unless otherwise defined herein, capitalized terms used in this Agreement but not defined shall have the meanings ascribed to such terms in the JOA.

2. Effective Date and Term

This Agreement shall be effective on and from the “Effective Date” under the Unitization Agreement and shall remain in full force and effect until termination of the JOA pursuant to Article II of the JOA.

3. Amendment of the JOA

3.1. With effect on and from the date hereof, the JOA is hereby amended by deleting Article 1.3 of the JOA in its entirety and replacing it with the following in lieu thereof:

“1.3 **Affiliate** means, in relation to any Party, a company, partnership, person, persons or other legal entity which controls, or is controlled by, or which is controlled by a person, persons or entity which controls, such Party. Control means the ownership directly or indirectly of more than fifty percent (50%) of the voting rights in a company, partnership or legal entity.”

3.2. With effect on and from the date hereof, the JOA is hereby amended by deleting Article XVIII of the JOA in its entirety and replacing it with the following in lieu thereof:

“18.1 Governing Law and Law of Interpretation

This Agreement, including the resolution of Disputes (as defined below) between or among Parties, shall be interpreted and construed in accordance with the laws of England, exclusive of any conflicts of law principles that could require the application of any other law to such interpretation and construction. “Dispute” means any dispute, controversy or claim (of any and every kind or type, whether based on contract, tort, statute, regulation, or otherwise) arising out of, relating to, or connected with this Agreement or the operations carried out under this Agreement, including any dispute as to the construction, validity, existence, termination, interpretation, enforceability or breach of this Agreement.

18.2 Dispute Resolution

- (A) **Notification.** A Party who desires to submit a Dispute for resolution shall commence the dispute resolution process by providing the other parties to the Dispute written notice of the Dispute (“Notice of Dispute”). The Notice of Dispute shall identify the parties to the Dispute and contain a brief statement of the nature of the Dispute and the relief requested. The submission of a Notice of Dispute shall toll any applicable statutes of limitation related to the Dispute, pending the conclusion or abandonment of dispute resolution proceedings under this Article XVIII.
- (B) **Negotiations.** The parties to the Dispute shall seek to resolve any Dispute by negotiation among Senior Executives. A “Senior Executive” means any individual who has authority to negotiate the settlement of the Dispute for a Party. Within thirty (30) Days after the date of the receipt by each party to the Dispute of the Notice of

Dispute (which notice shall request negotiations among Senior Executives), the Senior Executives representing the parties to the Dispute shall meet at a mutually acceptable time and place to exchange relevant information in an attempt to resolve the Dispute. If a Senior Executive intends to be accompanied at the meeting by an attorney, each other party's Senior Executive shall be given written notice of such intention at least three (3) Days in advance and may also be accompanied at the meeting by an attorney. Notwithstanding the above, any Party may initiate arbitration proceedings pursuant to Article 18.2(C) concerning such Dispute within thirty (30) Days after the date of receipt of the Notice of Dispute.

(C) Arbitration. Any Dispute not resolved by the Parties shall be exclusively and definitively resolved through final and binding arbitration, it being the intention of the Parties that this is a broad form arbitration agreement designed to encompass all possible disputes.

(1) Rules. The arbitration shall be conducted in accordance with the Arbitration Rules of the International Chamber of Commerce ("ICC") (as then in effect) (the "Rules").

(2) Number of Arbitrators. The arbitration shall be conducted by three (3) arbitrators, unless all parties to the Dispute agree to a sole arbitrator within thirty (30) Days after the commencement of the arbitration. For greater certainty, for purposes of this Article 18.2(C), the commencement of the arbitration means the date on which the claimant's request for arbitration is received by the Secretariat of the International Court of Arbitration of the ICC ("ICC Court").

(3) Method of Appointment of the Arbitrators.

(a) If the arbitration is to be conducted by a sole arbitrator, then the arbitrator will be jointly nominated by the parties to the Dispute. If the parties to the Dispute fail to agree on the arbitrator within thirty (30) Days after reaching agreement to use a sole arbitrator, then the ICC Court shall appoint the arbitrator.

(b) If the arbitration is to be conducted by three (3) arbitrators and there are only two (2) parties to the Dispute, then each party to the Dispute shall nominate one (1) arbitrator within forty five (45) Days of the commencement of the arbitration, and the two (2) arbitrators so nominated shall select the presiding arbitrator within thirty (30) Days after the latter of the two (2) arbitrators has been nominated. If a party to the Dispute fails to nominate its party-nominated arbitrator or if the two (2) party-nominated arbitrators cannot reach an agreement on the presiding arbitrator within the applicable time period, then the ICC Court shall appoint the remainder of the three (3) arbitrators not yet appointed.

(c) If the arbitration is to be conducted by three (3) arbitrators and there are more than two (2) parties to the Dispute, then within forty five (45) Days of the commencement of the arbitration, all claimants shall jointly nominate one (1) arbitrator and all respondents shall jointly

nominate one (1) arbitrator, and the two (2) arbitrators so nominated shall select the presiding arbitrator within thirty (30) Days after the latter of the two (2) arbitrators has been nominated. If either all claimants or all respondents fail to make a joint nomination of an arbitrator or if the party-nominated arbitrators cannot reach an agreement on the presiding arbitrator within the applicable time period, then the ICC Court shall appoint all three (3) arbitrators.

- (4) **Consolidation.** If the Parties initiate multiple arbitration proceedings under this Agreement and/or under the WCTP Joint Operating Agreement or the Unitization Agreement, the subject matters of which are related by common questions of law or fact, then all such proceedings may be consolidated into a single arbitral proceeding, as determined by the tribunal constituted under the Unitization Agreement (or, if none, the tribunal constituted under the WCTP Joint Operating Agreement). To the extent an arbitral proceeding under this Agreement is consolidated with an arbitral proceeding under the WCTP Joint Operating Agreement or the Unitization Agreement and there is a conflict between the dispute resolution provisions of this Agreement and the WCTP Joint Operating Agreement or the Unitization Agreement, the dispute resolution provisions of the Unitization Agreement (or, if no proceeding under the Unitization Agreement is involved, the dispute resolution provisions of the WCTP Joint Operating Agreement) shall prevail. For the avoidance of doubt, if a dispute, controversy or claim is between GNPC and one or more of the other Parties and arises out of, relates to or is connected with the Contract or the Acknowledgment or the WCTP Petroleum Agreement or the Government Approval, that dispute, claim or controversy shall be resolved in accordance with the terms of Article 24 of the Contract, Article 25 of the WCTP Petroleum Agreement or Article 1.10 of the Acknowledgment, as applicable. If the subject matter of such a dispute, controversy and claim and an arbitration proceeding under this Agreement (and, if applicable, the WCTP Joint Operating Agreement or the Unitization Agreement) are related by common questions of law or fact, then such proceedings may all also be consolidated into a single arbitral proceeding, as determined by the tribunal constituted under the Unitization Agreement (or, if none, the tribunal constituted under the WCTP Joint Operating Agreement or the tribunal constituted under this Agreement, in that order of priority).

For the purposes of this Article 18.2(C):

“**Acknowledgment**” means the form of Contract acknowledgment signed by the Minister for Energy on behalf of the Government, Tullow, Kosmos, Anadarko, Sabre, EO Group Limited and GNPC;

“**Government Approval**” means the approval instrument from the Government for the unitization of the Jubilee field;

“**Unitization Agreement**” means the Unitization and Unit Operating Agreement dated 13 JULY, 2009, entered into by GNPC, Tullow, Kosmos, Anadarko, Sabre and EO Group Limited, a company existing under the laws of the Cayman Islands, as may be amended, supplemented and

novated from time to time, setting forth the terms on which the Jubilee field, will be exploited and developed as a single unit;

“**WCTP Joint Operating Agreement**” means the Joint Operating Agreement dated July 22, 2004 entered into by Kosmos and The E.O. Group Limited, a company existing under the laws of the Republic of Ghana, as amended, supplemented and novated from time to time, and any other agreements entered into wholly or partially in substitution therefor in respect of the West Cape Three Points Block, offshore Ghana; and

“**WCTP Petroleum Agreement**” means the Petroleum Agreement issued by the Government and GNPC to Kosmos and The E.O. Group Limited, a company existing under the laws of the Republic of Ghana, dated July 22, 2004, as amended, supplemented and novated from time to time, covering certain areas located in the West Cape Three Points Block, offshore Ghana.

- (5) Place of Arbitration. Unless otherwise agreed by all parties to the Dispute, the place of arbitration shall be London, England.
- (6) Language. The arbitration proceedings shall be conducted in the English language and the arbitrator(s) shall be fluent in the English language.
- (7) Entry of Judgment. The award of the arbitral tribunal shall be final and binding. Judgment on the award of the arbitral tribunal may be entered and enforced by any court of competent jurisdiction.
- (8) Notice. All notices required for any arbitration proceeding shall be deemed properly given if sent in accordance with Article XVII.
- (9) Qualifications and Conduct of the Arbitrators. All arbitrators shall be and remain at all times wholly impartial and independent, and, once appointed, no arbitrator shall have any ex parte communications with any of the parties to the Dispute concerning the arbitration or the underlying Dispute other than communications directly concerning the selection of the presiding arbitrator, where applicable. Whenever the parties to the Dispute are of more than one nationality, the single arbitrator or the presiding arbitrator (as the case may be) shall not be of the same nationality as any of the parties or their ultimate parent entities, unless the parties to the Dispute otherwise agree.
- (10) Interim Measures. Notwithstanding any requirements for alternative dispute resolution procedures as set forth in Articles 18.2(B) and (C), any party to the Dispute may apply to a court for interim measures (i) prior to the constitution of the arbitral tribunal (and thereafter as necessary to enforce the arbitral tribunal's rulings); or (ii) in the absence of the jurisdiction of the arbitral tribunal to rule on interim measures in a given jurisdiction. The Parties agree that seeking and obtaining such interim measures shall not waive the right to arbitration. The arbitrators (or in an emergency the presiding arbitrator acting alone in the event one or more of the other arbitrators is unable to be involved in a timely fashion) may grant interim measures including injunctions, attachments and conservation orders in appropriate circumstances, which measures may be immediately enforced by court order. Hearings on requests

for interim measures may be held in person, by telephone, by video conference or by other means that permit the parties to the Dispute to present evidence and arguments.

- (11) Costs and Attorneys' Fees. The arbitral tribunal is authorized to award costs and attorneys' fees and to allocate them between the parties to the Dispute. The costs of the arbitration proceedings, including attorneys' fees, shall be borne in the manner determined by the arbitral tribunal.
 - (12) Interest. The award shall include interest, as determined by the arbitral award, from the date of any default or other breach of this Agreement until the arbitral award is paid in full. Interest shall be awarded at the Agreed Interest Rate.
 - (13) Currency of Award. The arbitral award shall be made and payable in United States dollars, free of any tax or other deduction.
 - (14) Consequential or Exemplary Damages. The Parties waive their rights to claim or recover, and the arbitral tribunal shall not award, any Consequential Loss (as defined below), except to the extent such damages have been awarded to a Person other than the Parties and their Affiliates and are subject to allocation between or among the parties to the Dispute, or punitive, multiple, or other exemplary damages (whether statutory or common law). "Consequential Loss" means any loss, damages, costs, expenses or liabilities caused (directly or indirectly) by any of the following arising out of, relating to, or connected with this Agreement or the operations carried out under this Agreement: (i) reservoir or formation damage; (ii) inability to produce, use or dispose of Hydrocarbons; (iii) loss or deferment of income; (iv) punitive damages; or (v) other indirect damages or losses whether or not similar to the foregoing.
 - (14) Waiver of Challenge to Decision or Award. To the extent permitted by law, any right to appeal or challenge any arbitral decision or award, or to oppose enforcement of any such decision or award, or to refer any question of law, before a court or any governmental authority, is hereby waived by the Parties. Without limiting the generality of the preceding sentence, the Parties agree to exclude any right to appeal any question of law to the courts of England under Section 45 or 69 of the Arbitration Act of 1996.
 - (15) Privilege. Legal professional privilege, including privileges protecting attorney-client communications and attorney work product of each Party from compelled disclosure or use in evidence, legal advice privilege and litigation privilege, as recognized by the laws governing each Party's relationship with its in-house and its outside counsel, shall apply to and be binding in any arbitration proceeding conducted under this Article 18.2.
- (D) Confidentiality. All negotiations, mediation and arbitration relating to a Dispute (including a settlement resulting from negotiation or mediation, an arbitral award, documents exchanged or produced during a negotiation or expert determination or mediation or arbitration proceeding, and memorials, briefs or other documents prepared for the arbitration) are confidential and may not be disclosed by the Parties, their employees, officers, directors, counsel, consultants, and expert witnesses, except (in accordance with Article 15.1) to the extent necessary to enforce this Article XVIII

or any arbitration award, to enforce other rights of a Party, or as required by law; provided, however, that breach of this confidentiality provision shall not void any settlement or award.

4. No Third Party Rights

A person (a "third party") who is not a party to this Agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement notwithstanding that any such term may purport to confer or may be construed as conferring a benefit on such third party.

5. No Other Changes

Except as explicitly amended by this Agreement, the terms, conditions, rights and obligations under the JOA shall remain in full force and effect.

6. Miscellaneous

The following Articles of the JOA are incorporated by reference and shall apply, *mutatis mutandis*, to this Agreement: Article XII (Transfer of Interest or Rights); Article XV (Confidential Information); Article XVII (Notices); Article XVIII (Applicable Law and Dispute Resolution) as amended hereby and Articles 19.3 to 19.9 (General Provisions).




7. Counterparts

This Agreement may be executed in any number of counterparts with the same effect as if the signatures on the counterparts were upon a single engrossment of this Agreement provided that this Agreement shall not be effective until all the counterparts have been executed.

IN WITNESS WHEREOF this Agreement has been executed on behalf of the Parties by their duly authorised representatives on the day and year first above written.

Signed for and on behalf of

TULLOW GHANA LIMITED

By: Peter Sloan 
Name: PETER SLOAN 
Title: Group Legal Manager 

Signed for and on behalf of

KOSMOS ENERGY GHANA LLC

By: Andy Mooma
Name: Andy Mooma
Title: Asset Manager

Signed for and on behalf of


ANADARKO WCTP COMPANY

By: C. Prout
Name: Charles E. Prout, Jr.
Title: Vice President



Signed for and on behalf of

SABRE OIL & GAS HOLDINGS LIMITED

By: 
Name: KOFI ESSAU
Title: GOVT & EXTERNAL RELATIONS MGR

MASTER SECONDMENT AGREEMENT

Tullow Ghana Limited (1)

Anadarko WCTP Company (2)

MASTER SECONDMENT AGREEMENT

TABLE OF CONTENTS

ARTICLE 1: DEFINITIONS AND REFERENCES	1
1.1 Definitions.....	1
1.2 References.....	2
ARTICLE 2: TERMS OF SECONDMENT	2
2.1 Secondment.....	2
2.2 Conduct.....	3
2.3 Status of Employer, Employer Affiliate and Seconddee.....	3
2.4 Permits.....	4
2.5 Operator’s Assistance.....	4
2.6 Employer’s Assistance.....	4
2.7 Specific Secondment Location provisions.....	5
2.8 Change of Location or Services.....	5
2.9 Temporary Return.....	5
2.10 Vacation.....	5
2.11 Restriction on Solicitation.....	5
2.12 Requests for Information.....	5
ARTICLE 3: COSTS	6
3.1 Responsibilities of Employer.....	6
3.2 Monthly Charge.....	6
3.3 Relocation Costs.....	6
3.4 Procedure.....	7
3.5 Past Due Amounts.....	7
ARTICLE 4: LIABILITY AND INDEMNITY	7
4.1 Liability and Indemnity.....	7
4.2 Notice of Claim and Opportunity to Defend.....	7
4.3 Limitation of Liability.....	7
4.4 Scope and Cost of Indemnities.....	7
4.5 Employer’s Liability Insurance.....	8
ARTICLE 5: CONFIDENTIALITY AND COMPETITION	8
5.1 Confidential Information.....	8
5.2 Breach of Confidentiality.....	8
5.3 Right of Competition.....	8
ARTICLE 6: DURATION AND TERMINATION	8
6.1 Duration of Master Secondment Agreement and the Secondment.....	8
6.2 Operator’s Right to Terminate the Secondment.....	9

6.3	Employer's Right to Terminate the Secondment	10
6.4	Secondee's Replacement	10
ARTICLE 7: MISCELLANEOUS		11
7.1	Assignment.....	11
7.2	Captions	11
7.3	Confidentiality	11
7.4	Counterparts	11
7.5	Expenses.....	11
7.6	Governing Law.....	11
7.7	Dispute Resolution	11
7.8	No Third Person Beneficiaries.....	11
7.9	Notice	11
7.10	Severability	11
7.11	Waivers	12
7.12	Conflict.....	12
7.13	Entire Agreement	12

THIS MASTER SECONDMENT AGREEMENT (hereinafter referred to as the "Master Secondment Agreement") is made on 13 JULY, 2009,

BETWEEN:

- (1) Tullow Ghana Limited, a company existing under the laws of Jersey, Channel Islands ("Operator"), and
- (2) Anadarko WCTP Company, a company existing under the laws of the Cayman Islands ("Employer")

Operator and Employer are sometimes referred to collectively as the "Parties" and individually as a "Party"

WHEREAS:

- (A) Operator and Employer each hold an undivided share of the rights of "Contractor" under:
 - (1) The Petroleum Agreement for the Deepwater Tano Contract Area dated March 10, 2006; and
 - (2) The Petroleum Agreement for the West Cape Three Points Contract Area dated July 22, 2004.
- (B) Pursuant to the Unitization and Unit Operating Agreement covering the Jubilee Field Unit located offshore in the Republic of Ghana among Operator, Employer and others, dated 13 JULY, 2009 (the "UUOA") Employer may from time to time second (or cause its Affiliates to second) qualified personnel to fill certain positions in Operator's organization for the conduct of Unit Operations, and the Operator shall accept such secondments for the provision of services relating to Unit Operations, all in accordance with the terms of this Master Secondment Agreement.

In consideration of the premises set out above, and the provisions set out below, the Parties agree as follows:

Article 1: DEFINITIONS AND REFERENCES

I.1 Definitions.

Capitalized terms used in this Master Secondment Agreement and not otherwise defined herein shall have the meaning given to such terms in the UUOA.

- (A) "*Employer Affiliate*" means an Affiliate of the Employer which is the direct employer of a Seconded seconded under the terms of this Agreement.
- (B) "*Home Location*" means, with respect to each Seconded, the location specified in the Seconded's Specifications which will generally be (a) the Seconded's last place of primary residence; (b) the location where the Seconded was hired or was working immediately prior to transfer to the Secondment Location; or (c) the Seconded's country of citizenship where family or other ties can be demonstrated.
- (C) "*Monthly Charge*" shall have the meaning set out in Article 3.2.
- (D) "*Monthly Rate*" means, with respect to each Seconded, the rate agreed in the Seconded's Specifications to apply for each month of Seconded's Secondment which will be based on the actual documented costs and expenses incurred by Employer (directly or through an Employer Affiliate) with respect to such Seconded's employment with Employer (or with an Employer Affiliate) and shall reflect, *inter alia*, the cost of salary and other compensation, employer's liability insurance, employment related taxes and fees.
- (E) "*Seconded*" means any employee of Employer (or an Employer Affiliate) seconded to Operator in accordance with the terms of this Master Secondment Agreement.
- (F) "*Seconded Agreement*" means an agreement to be entered into between Operator, Employer, an Employer Affiliate (if such Employer Affiliate is the employer of the Seconded) and a Seconded in a format substantially similar to the form provided in Attachment B to this Master Secondment Agreement.
- (G) "*Seconded's Specifications*" means, with respect to each Seconded, a document to be executed between the Parties in a format substantially similar to the form provided in Attachment A to this Master Secondment Agreement, which sets out the main specifications of such Seconded's Secondment and the Monthly Rate to be charged for such Seconded's Services.

- (H) **"Secondment"** means Employer's (or an Employer Affiliate's) secondment of a Secondee to Operator's organisation to perform the Services at the Secondment Location.
- (I) **"Secondment Location"** means, with respect to each Secondee, the location specified in the Secondee's Specifications and Secondee Agreement, where such Secondee shall perform the Services.
- (J) **"Secondment Location Addendum"** means a document, which the Parties may execute after the date hereof pursuant to the provisions of Article 2.7, setting out the support arrangements which shall apply to a specific Secondment Location.
- (K) **"Secondment Period"** means, with respect to each Secondee, the period specified in the Secondee's Specifications and Secondee Agreement, during which such Secondee shall perform the Services provided that, unless otherwise agreed between the Parties in writing, the following shall apply:
 - a) where Secondee's Secondment Location is within the country of such Secondee's Home Location, the Secondment Period shall be no less than twelve (12) Months; and
 - b) where Secondee's Secondment Location is outside of the country of such Secondee's Home Location, the Secondment Period shall be no less than twenty four (24) Months.
- (L) **"Services"** means, with respect to each Secondee, the duties and authorities described in the Secondee's Specifications, to be performed by such Secondee to support Operator in the performance of Unit Operations under the UUOA.
- (M) **"Third Party"** shall have the meaning set out in Article 7.8.

1.2 References.

Unless expressly provided to the contrary, in this Master Secondment Agreement:

- (A) Reference to any gender includes a reference to both genders;
- (B) Reference to the singular includes the plural, and vice versa;
- (C) Reference to any Article means an Article of this Master Secondment Agreement;
- (D) Reference to any Clause means a Clause of the UUOA;
- (E) Reference to any Attachment means an Attachment to this Master Secondment Agreement, all of which are incorporated into and made a part of this Master Secondment Agreement;
- (F) "hereunder", "hereof", "herein", and words of similar import are references to this Master Secondment Agreement as a whole and not any particular Article or other provision of this Master Secondment Agreement;
- (G) "include" and "including" shall mean include or including without limiting the generality of the description preceding such term and are used in an illustrative sense and not a limiting sense; and
- (H) Reference to a Secondee includes dependents of such Secondee where applicable.

Article 2: TERMS OF SECONDMENT

2.1 Secondment.

- (A) At any time during the term of this Master Secondment Agreement, Employer may provide (or cause its Employer Affiliate to provide) a Secondee to Operator pursuant to and in accordance with the terms of Clause 7.3 of the UUOA and this Master Secondment Agreement.
- (B) Prior to commencement of any Secondment, Operator and Employer shall agree and execute Secondee's Specifications setting out the main terms of the Secondment with respect to such Secondee. No change to the terms of a Secondee's Specifications shall become effective unless and until such change is mutually agreed by Operator and Employer.
- (C) Employer represents that each Secondee is an employee of Employer or an Employer Affiliate and has the qualifications and experience necessary to perform the Services as summarised in the applicable Secondee Specifications.

- (D) Employer shall assign (or cause its Employer Affiliate to assign) each Secondee to perform the Services at the relevant Secondment Location for the Secondment Period, and to report to Operator in accordance with the terms of this Master Secondment Agreement and the Secondee Agreement.
- (E) Operator shall designate each Secondee to fill the position agreed in such Secondee's Specifications within Operator's organization, integrate each Secondee into Operator's organization for the purposes of this Master Secondment Agreement, and authorize each Secondee to perform the Services at the Secondment Location for the Secondment Period in accordance with this Master Secondment Agreement.
- (F) Subject to Article 2.1(B) above, Operator shall have the right to specify the scope and nature of each Secondee's Services and the results to be achieved, and to direct each Secondee in the performance of such Services.
- (G) Prior to commencement of each Secondment of a Secondee, Operator, Employer, an Employer Affiliate (if such Employer Affiliate is the employer of the Secondee) and the Secondee shall enter into a Secondee Agreement.

2.2 Conduct.

- (A) Each Secondee shall be integrated into Operator's organization for the Secondment Period and consequently shall be subject to:
 - 1) The supervision and control of the Operator;
 - 2) All applicable rules, regulations, policies and other practices established by Operator for its employees;
 - 3) Laws/Regulations applicable to the Unit Operations; and
 - 4) Instructions and directions of Operator with respect to the performance of Services and actions taken on Operator's behalf and pursuant to Article 2.2(A)(1).
- (B) Employer shall use (or shall cause its Employer Affiliate to use) all reasonable efforts to ensure that:
 - 1) Each Secondee complies with the provisions of Article 2.2(A); and
 - 2) Each Secondee shall perform the Services contemplated by this Master Secondment Agreement, and if applicable the Secondee Agreement, with due diligence and in a good, competent, professional and safe manner in accordance with applicable Laws/Regulations, standards and practices of the international petroleum industry, and the supervision and control of the Operator.

2.3 Status of Employer, Employer Affiliate and Secondee.

- (A) Employer and each Employer Affiliate shall be an independent contractor engaged by Operator to make each Secondee available for the purposes of this Master Secondment Agreement, and neither Employer nor any Employer Affiliate (as the case may be) shall be, or shall be deemed to be, an agent, servant or employee of Operator.
- (B) Notwithstanding that, for the duration of the Secondment Period, Operator shall have the right to exercise supervision and control over each Secondee, each Secondee shall continue to be an employee of Employer or an Employer Affiliate (as the case may be) for all purposes, including performance management, remuneration, employee benefits, promotion and career planning, and shall not be a servant or employee of Operator. A Secondee shall not be nor be deemed to be an agent, servant or employee of Operator.
- (C) For the avoidance of doubt, Operator shall have no authority to terminate employment or to administer disciplinary action with respect to a Secondee, except to terminate the Secondment pursuant to Article 6 below. Only the Employer (directly or through its Employer Affiliate) shall have authority to discipline a Secondee.
- (D) For the avoidance of doubt, Operator shall have no authority to make any direct payments in any form (including remuneration, benefits or promotions) to a Secondee with respect to such Secondee's performance of the Services except as may be otherwise agreed by the Parties.

2.4 Permits.

Employer shall be responsible for obtaining any work permits, visas and any other administrative authorizations required to allow each Seconded, and if applicable his or her dependents, to work and reside in the Secondment Location for the Secondment Period. Operator shall provide any assistance reasonably requested by Employer in connection with obtaining such permits, visas and authorizations.

2.5 Operator's Assistance.

(A) Operator shall provide the following items and services to each Seconded to the same extent that Operator provides such items and services to Operator's managerial and technical staff and their dependents in the Secondment Location:

- 1) Facilities and equipment with which to perform the Services;
- 2) Security, safety and first aid services and facilities, if needed; and
- 3) Upon Secondment of each Seconded pursuant to this Master Secondment Agreement, a copy of all applicable rules, regulations, policies and other practices referred to in Article 2.2(A)(2) established by Operator for its employees that will be applicable to such Seconded and any revisions thereto.

(B) In addition, subject to Article 2.7 (if applicable), with respect to each Seconded's Secondment Location, Operator shall provide to such Seconded, or reimburse the Employer for the following items and services provided by the Employer (either directly or through an Employer Affiliate) to such Seconded, and his or her dependents in the Secondment Location:

- 1) Transportation and accommodation to, from and within the Secondment Location to the same extent that Operator provides such items and services to Operator's staff taking into account the position of the Seconded;
- 2) Meals, other items and services, and living expenses in the Secondment Location to the same extent Employer provides, or would provide (either directly or through an Employer Affiliate), such items and services to Employer's (or its Employer Affiliate's) staff in the Secondment Location taking into account the position of the Seconded;
- 3) Taxes, social security, duties and any similar charges levied on and paid by or on behalf of the Seconded in the Secondment Location, including income, sales, excise, value added, property and other taxes and import/export duties to the same extent Employer provides, or would provide (either directly or through an Employer Affiliate), such items and services to Employer's (or its Employer Affiliate's) staff in the Secondment Location taking into account the position of the Seconded including the effect of any benefit flowing to the Employer, an Employer Affiliate (where applicable) or Seconded from foreign tax credits received by the Employer, an Employer Affiliate (where applicable) or Seconded in the Seconded's Home Location for taxes and duties levied in the Secondment Location; and
- 4) Emergency evacuation in case of an emergency or life-threatening medical condition (in the absence of adequate medical facilities to handle such a case).

For the avoidance of doubt, all costs and expenses associated with items and services provided by Operator pursuant to this Article 2.5 shall be chargeable to the Unit Account and treated in accordance with the terms of the URJOA.

2.6 Employer's Assistance.

Subject to Article 2.7 (if applicable) and to the extent not provided by Operator under Article 2.5 above, Employer shall provide (either directly or through an Employer Affiliate) to the Seconded and its dependents in the Secondment Location the following items and services:

- (A) Transportation and accommodation to, from and within the Secondment Location;
- (B) Meals, other items and services, and living expenses in the Secondment Location;
- (C) Taxes, social security, duties and any similar charges levied on and paid for by or on behalf of the Seconded in the Secondment Location, including without limitation income, sales, excise, value added, property and other taxes and import/export duties; and

- (D) Emergency evacuation in case of an emergency or life-threatening medical condition (in the absence of adequate medical facilities to handle such a case).

For the avoidance of doubt all costs and expenses associated with items and services provided by Employer (either directly or through an Employer Affiliate) pursuant to this Article 2.6 shall be chargeable to the Operator and subsequently charged to the Unit Account and treated in accordance with the terms of the UUA.

2.7 Specific Secondment Location provisions.

At any time after the date hereof, but prior to Employer's agreement to provide (or cause to provide through its Employer Affiliate) Secondees to a particular Secondment Location, should a Party wish to enter into specific support arrangements with respect to such Secondment Location the Parties may agree and enter into one or more Secondment Location Addenda, the terms of which may be amended from time to time by mutual agreement of the Parties. For the avoidance of doubt, unless the Parties enter into a separate Secondment Location Addendum, the terms of Secondment to a Secondment Location shall be governed by the terms of this Agreement.

2.8 Change of Location or Services.

- (A) If Operator, in the exercise of its reasonable judgment, determines with respect to any Secondee that:
- 1) A change of the Secondment Location is necessary, Operator shall promptly so notify Employer in writing specifying the effective date of such proposed change, and shall request Employer to approve the transfer of the Secondee to the new Secondment Location; or
 - 2) A material change of Services is necessary due to the evolution of Unit Operations, Operator shall promptly so notify Employer in writing specifying the details of such proposed change and the proposed effective date of such change, and shall request Employer to approve the change of Services.
- (B) If Operator makes a determination as described in Article 2.8(A), Employer shall not unreasonably withhold its approval.
- (C) For the avoidance of doubt, where the Employer does not agree to the change of Secondment Location as provided for in this Master Secondment Agreement, such Employer may terminate Secondee's Secondment in accordance with the terms of Article 6.3(C) below and shall not be obligated to provide an alternative Secondee to the Operator.

2.9 Temporary Return.

Employer shall be entitled to require the return of a Secondee from time to time for periods of short duration for administrative or training purposes, subject to Operator's consent as to the timing of such return, which consent shall not be unreasonably withheld. Any travel costs associated with such temporary return shall be reflected in Employer's charges to Operator as provided for in Article 3.2.

2.10 Vacation.

Each Secondee is entitled to a vacation according to the personnel policies of Employer. Vacation may only be taken after consultation with Operator and is subject to Operator's reasonable operational requirements. Operator shall notify Employer annually of all vacation that a Secondee takes in accordance with the Employer's personnel policies. For the avoidance of doubt, all travel costs associated with such vacation and which are in accordance with personnel policies of Employer shall be reflected in Employer's charges to Operator as provided for in Article 3.2.

2.11 Restriction on Solicitation.

Operator may neither solicit nor hire a Secondee for a period of twenty-four (24) months after the term of Secondee's Secondment under this Master Secondment Agreement ended or terminated without obtaining the prior written consent of Employer.

2.12 Requests for Information.

- (A) If requested by Employer, Operator shall provide Employer with a summary of work accomplishments and a performance appraisal for each Secondee in the format that Operator uses to assess its employees.
- (B) If requested by Employer, Operator shall provide to Employer an annual report scheduling the amount and type of each payment or benefit that Operator provided to or on behalf of each Secondee.

- (C) If requested by Operator, Employer shall provide (or cause its Employer Affiliate to provide) Operator with reasonable details of each Seconded's payroll and other compensation to facilitate budgeting, tax compliance and invoice processing.
- (D) The Parties shall endeavour to provide each other with such other information or assistance as is reasonably required in connection with this Master Secondment Agreement or any claim by a Seconded against either Party.

Article 3: COSTS

3.1 Responsibilities of Employer.

Unless otherwise agreed between Employer and Operator in a Secondment Location Addendum applicable to a specific Secondment Location (if any), Employer, acting in compliance with Employer's personnel policies, shall continue to be responsible (either directly or through an Employer Affiliate) for and shall bear and pay (and Operator shall not be responsible for the delivery of):

- (A) Each Seconded's base salary and other compensation in any form, including all customary allowances, entitlements and benefits, earned by such Seconded during its employment with the Employer (or Employer Affiliate, if applicable) while on Secondment to the Operator's organization;
- (B) Health insurance, pension plan, defined contribution plan, profit sharing or stock option plan, or any other employment-related contributions for the benefit of each Seconded as an employee, whether statutory or otherwise;
- (C) Employer's (or an Employer Affiliate's, if applicable) liability insurance, including insurance against claims for compensation by third parties, and all obligations arising under applicable workers' compensation laws in respect of each Seconded to the extent normally extended by Employer (or an Employer Affiliate, if applicable) to its Home Location employees. Notwithstanding anything to the contrary in this Article 3.1(C), Operator shall provide any statutory insurance or benefits which are required under labour or social agreements in the Secondment Location to the same extent Operator provides, or would provide, such items to Operator's employees in the Secondment Location;
- (D) Home expenses with respect to the Seconded's residence in the Home Location which shall include Seconded's home site expenses, property management and maintenance expenses;
- (E) Taxes in the Home Location of each Seconded while in the Secondment Location, which shall include payroll taxes, withholding taxes or any other form of cost or charge assessed in respect of the employment of each Seconded; and
- (F) Any other direct costs, charges or expenses assessed against an Employer (either directly or through an Employer Affiliate) under any applicable Laws/Regulations in relation to the employment of persons such as a Seconded.

3.2 Monthly Charge.

With respect to each Secondment, Employer shall charge Operator, on a monthly basis: (a) the Monthly Rate for each month during such Secondment; (b) any other costs and expenses that are incurred by Employer (either directly or through an Employer Affiliate) under the terms of this Master Secondment Agreement and any other items which may be incurred by Employer (either directly or through an Employer Affiliate) under the terms of the applicable Secondment Location Addendum (if any) that are attributable to each Seconded during the Secondment Period and that would be chargeable to the Unit Account under the Unit Accounting Procedure of the UUA for an employee of Operator; and (c) all administrative costs and expenses and other indirect charges that are directly attributable or fairly allocated to the Secondment of each Seconded (collectively, the "Monthly Charge").

3.3 Relocation Costs.

In addition to the Monthly Charge, Employer shall, according to the personnel policies of Employer and to the extent chargeable to the Unit Account under the UUA, charge the Operator for the actual documented costs incurred by Employer (either directly or through an Employer Affiliate) for relocation of each Seconded from his or her Home Location to the Secondment Location and return, which may include the following:

- (A) Transportation and travel expense:

- (B) Initial or temporary accommodation, meal and any other arrival expenses for up to a maximum of three (3) months;
- (C) Resettlement allowance;
- (D) Home sale assistance (which will include costs and expenses associated with Employer's (or an Employer Affiliate's, if applicable) assistance (acting in accordance with the personnel policies of Employer) to the Seconded with the sale of such Seconded's permanent accommodation in the Home Location);
- (E) Relocation agency costs; and
- (F) Air and sea freight and insurance charges;

3.4 Procedure.

- (A) Within fifteen (15) Days after the end of each Calendar Month, Employer shall invoice the Operator for the Monthly Charge for such month and for reimbursement of the costs referred to in Article 3.3 above. Each invoice shall be itemized by Seconded. Within fifteen (15) Days of the receipt of the invoice, Operator shall pay the amount of each invoice to Employer in U.S. Dollars by wire transfer of immediately available funds to the bank and account designated on the invoice.
- (B) Operator shall pay all amounts invoiced in full, whether or not disputed, and waives any right of set off, provided that Operator's payment of any charge shall be without prejudice to its right to later contest the charges. If Operator disputes all or any portion of an invoice, Operator and Employer shall confer as soon as practicable to resolve the dispute. If the dispute is resolved by Employer and Operator, or by the process of Clause 20.3 of the UUOA, in favour of Operator, Employer shall refund the disputed amount, together with interest thereon at the Agreed Interest Rate (as of the date the dispute is resolved or decided) from the date on which the disputed amount was paid by the Operator until the date the Employer refunded such disputed amount.

3.5 Past Due Amounts.

Any amounts not paid on or before the date due under this Master Secondment Agreement shall bear interest from the date due until paid in full at the interest rate provided for in Clause 10.4 of the UUOA.

Article 4: LIABILITY AND INDEMNITY

4.1 Liability and Indemnity.

The provisions of Clauses 7.3(G) and 7.6 of the UUOA shall apply with respect to any liability of Operator and/or Employer or Employer Affiliate arising out of or as a result of the Services performed pursuant to this Master Secondment Agreement.

4.2 Notice of Claim and Opportunity to Defend.

Each Party shall notify the other as soon as practicably possible after receiving notice of any claim, demand or action that may be presented to or served upon such Party or any other indemnified person affiliated with such Party by any third person or entity arising out of or as a result of the Services performed pursuant to this Master Secondment Agreement, and shall afford the other Party full opportunity to assume the defence of such claim, demand or action.

4.3 Limitation of Liability.

Without prejudice to the terms of the UUOA regarding any Party's liability for its ^{P.S. Paying} ~~Noting~~ interest share of such amounts allocated to the Unit Account, but notwithstanding the other terms of this Article 4, neither Party (nor any Employer Indemnitee nor Operator Indemnitee) shall be liable to the other for Consequential Loss or Environmental Loss deriving from a breach of any term of this Master Secondment Agreement. LCP

4.4 Scope and Cost of Indemnities.

Any liability assumed or indemnity given by Employer for the benefit of Operator shall be deemed to be assumed or given also for the benefit of the Non-Operators and any cost or expense associated with such liability or indemnity shall be charged to the Operator and subsequently charged to the Unit Account and treated in accordance with the terms of the UUOA. Nothing in this Master Secondment Agreement shall be deemed to release Employer from or to limit any liability or obligation that Employer may have as a Party to the UUOA.

4.5 Employer's Liability Insurance.

Employer shall name (or cause its Employer Affiliate to name) Operator as an additional insured on Employer's (or Employer Affiliate's, if applicable) liability insurance, to the extent permitted by applicable law, and shall obtain waivers of rights of recourse against Operator and the Non-Operators.

Article 5: CONFIDENTIALITY AND COMPETITION

5.1 Confidential Information.

- (A) Each Party shall maintain as confidential, and not divulge, any information or data, other than Unit Data (which is governed by the UUOA) not publicly available, which is disclosed to such Party by the other as a consequence of the Secondment of Secondees pursuant to this Master Secondment Agreement, subject to those exceptions provided for in Clause 17.2(A) of the UUOA.
- (B) Employer shall be responsible for ensuring that each Secondee shall keep strictly confidential the terms of this Master Secondment Agreement and all information and data acquired by each Secondee during the Secondment; provided that nothing in this Master Secondment Agreement, or if applicable the Secondee Agreement, shall be deemed to prohibit a Secondee from disclosing:
- 1) Information and data with respect to Unit Operations to Employer, or any other Party to the UUOA which is not in default under the UUOA with respect to Unit Operations;
 - 2) Information and data to the extent required to be furnished in compliance with the applicable Law/Regulations, or pursuant to any legal proceedings or because of any order of any court binding upon such Secondee; provided that, where reasonably possible, prior to any such disclosure the Secondee provides reasonable advance notice of the disclosure and the legal reasons for such disclosure to Operator;
 - 3) Information and data to prospective or actual attorneys engaged by a Secondee, where disclosure of such information and data is essential to such attorneys' work for such Secondee in relation to this Master Secondment Agreement or the Secondee Agreement; or
 - 4) Information and data which, through no fault of a Secondee, is or becomes a part of the public domain.

5.2 Breach of Confidentiality.

Employer acknowledges that any breach of a Secondee's duty of confidentiality under Article 5.1(B) may result in the immediate removal of such Secondee pursuant to Article 6.2(B)(2). In addition, Employer shall indemnify Operator for any costs, excluding Consequential Loss, incurred by Operator pursuant to any breach of confidentiality by Employer under Article 5.1(A), or by Secondee under Article 5.1(B), or by any other person to whom Employer has disclosed such confidential information pursuant to the exceptions provided in Clause 17.2(A) of the UUOA.

5.3 Right of Competition.

The Operator recognizes that after a Secondee has completed a Secondment hereunder, that Secondee may continue working in the oil or natural gas industry and may be involved by the Employer or one of its Affiliates in business activity of a related or similar nature to the work activity that Secondee performed for the Operator during that Secondment, including in the same Secondment Location. The Operator agrees that nothing in this Master Secondment Agreement, or the Secondee Agreement, shall be interpreted to interfere with the ability of a Secondee to continue working in the oil or natural gas industry or preclude or limit any work assignment of a Secondee in the future, so long as that Secondee does not make any unauthorized disclosure of confidential information, as described in Article 5.1(B) above, in the performance of those services.

Article 6: DURATION AND TERMINATION

6.1 Duration of Master Secondment Agreement and the Secondment.

Any Party may terminate this Master Secondment Agreement by notice to the other Party, if:

- (A) There has been a material breach by the other Party of its respective obligations under this Master Secondment Agreement, which has not within a period of thirty (30) Days from the affected Party's notice of such breach been remedied effectively;

- (B) Operator or Employer no longer holds an interest in the UUOA;
- (C) There is a change in legislative or fiscal regime, including the manner in which any Governmental Authority or court interprets such regimes, which in the reasonable opinion of any Party would have a material adverse effect on such Party if performance is continued;
- (D) Subject to Operator's right to assign this Master Secondment Agreement under Article 7.1 below, the Operator ceases to be Operator under UUOA; or
- (E) The UUOA terminates.

The provisions of Articles 4, 5 and 7 shall survive the termination of this Master Secondment Agreement.

6.2 Operator's Right to Terminate the Secondment.

- (A) Operator may terminate a Secondee's Secondment upon thirty (30) Days prior written notice to the Employer:
 - 1) If Employer does not approve a change of Secondment Location or a change of Services of the Secondee pursuant to Article 2.8 of this Master Secondment Agreement;
 - 2) If the Secondee repeatedly fails to comply with Operator's workplace rules, regulations and policies, or the directions given by Operator's management;
 - 3) If the Secondee after receiving notice of unsatisfactory performance fails to perform the Services in a manner that in Operator's reasonable judgment is satisfactory;
 - 4) If an Employer Affiliate, which is the direct employer of the Secondee, ceases to be an Affiliate of Employer;
 - 5) If the Secondee ceases to be an employee of Employer or an employee of an Employer Affiliate (as the case may be);
 - 6) If necessary work permits, visas and any other administrative authorization required to allow the Secondee to work and reside in the Secondment Location are not obtained within a reasonable period of time, or are cancelled or withdrawn; or
 - 7) If the Unit Operating Committee fails to approve the funding for such Secondment.
- (B) Operator may terminate a Secondee's Secondment immediately without notice to Employer:
 - 1) If such Secondee engages in serious misconduct or violates any substantive or material Laws/Regulations, which in Operator's reasonable judgment either:
 - a) significantly impairs such Secondee's ability to perform the Services or to live and work in the Secondment Location; or
 - b) adversely affects Operator's relations with any Governmental Authority; or
 - 2) If such Secondee materially breaches the confidentiality obligations under this Master Secondment Agreement, or if applicable, the Secondee Agreement.
- (C) In the event a party to the UUOA has given a notice of Force Majeure under Clause 18.1 of the UUOA, which, in the reasonable opinion of the Operator, has a material effect on Secondee's Secondment, then Operator may terminate such Secondee's Secondment with immediate effect by giving notice to Employer provided that such notice of termination is served during the Force Majeure period.
- (D) Immediately after any termination without notice, Operator shall notify Employer setting out the reasons for such termination.
- (E) If Secondee's Secondment is terminated by Operator under Article 6.2(A)(6), Article 6.2(A)(7) or 6.2(C) above, Operator shall bear the costs associated with such Secondee's return to his or her Home Location and shall also bear the cost of providing an alternate candidate for the purposes of replacing such Secondee (if any). For the avoidance of doubt such costs shall be charged to the Unit Account in accordance with the terms of the UUOA.

6.3 Employer's Right to Terminate the Secondment.

Each Secondee shall be assigned to Operator for the Secondment Period and Employer will use all reasonable endeavours not to terminate such Secondee's Secondment during the Secondment Period; except that:

- (A) Employer shall have the right to immediately terminate a Secondee's Secondment in case of Force Majeure, or a personal emergency concerning the Secondee or other personal circumstances asserted by the Secondee. Employer shall promptly give notice setting out the general circumstances of such Force Majeure event, personal emergency or personal circumstances;
- (B) Where an Employer Affiliate, which is the direct employer of the Secondee, ceases to be an Affiliate of Employer, Employer shall have the right to terminate such Secondee's Secondment by giving written notice to the Operator provided that such termination shall take effect no less than thirty (30) Days from the date on which such Employer Affiliate ceases to be an Affiliate of Employer, unless otherwise agreed by the parties in writing.
- (C) Subject to Article 2.8(B), Employer may terminate a Secondment on thirty (30) Days prior written notice if Employer disapproves the change of Secondment Location or a change of Services of a Secondee pursuant to Article 2.8 of this Master Secondment Agreement;
- (D) Employer shall have the right to immediately terminate a Secondee's Secondment if such Secondee ceases to be an employee of Employer or an employee of an Employer Affiliate (as the case may be);
- (E) Employer shall have the right to immediately terminate a Secondee's Secondment if the necessary work permits, visas and any other administrative authorization required to allow the Secondee to work and reside in the Secondment Location have not been obtained within a reasonable period of time, or are cancelled or withdrawn and not replaced or renewed within a reasonable period of time;
- (F) Employer shall have the right to immediately terminate a Secondee's Secondment if the Unit Operating Committee fails to approve the funding for such Secondment;
- (G) Employer may terminate a Secondee's Secondment if Employer or an Employer Affiliate (as the case may be) needs such Secondee's services in connection with another project; provided that the Employer shall notify the Operator as soon as reasonably practicable but in any case and unless otherwise agreed by the parties in writing:
 - 1) at least six (6) months in advance of such termination, where Secondee's Secondment Location is outside of the country of such Secondee's Home Location; and
 - 2) at least three (3) months in advance of such termination, where Secondee's Secondment Location is within the country of such Secondee's Home Location;
- (H) In the event a party under the UJOA has given a notice of Force Majeure under Clause 18.1 of the UJOA, which, in the reasonable opinion of the Employer, has a material effect on a Secondee's Secondment, the Employer may terminate such Secondee's Secondment with immediate effect by giving notice to Operator, provided that such notice of termination is served during the Force Majeure period.

For the avoidance of doubt, all costs associated with the termination of a Secondment under this Article 6.3 and, if applicable, a subsequent return to the Home Location by the Secondee shall be paid for by the Operator and charged to the Unit Account, except where such termination occurs under Article 6.3(G) in which case the Employer shall be responsible for the costs of such termination and substitution unless the termination occurs within six (6) months of the agreed end of the terminated Secondee's Secondment Period.

6.4 Secondee's Replacement.

Except as otherwise stated in this Master Secondment Agreement, if Employer or Operator terminates a Secondee's Secondment, the selection of a new Secondee, if any, shall be carried out in accordance with Article 2 above.

Article 7: MISCELLANEOUS

7.1 Assignment.

Neither Party shall assign or otherwise transfer all or any part of this Master Secondment Agreement, nor shall any Party delegate any of its rights or duties hereunder, without the prior written consent of the other Party, and any transfer or delegation made without such consent shall be void, provided that Operator shall be entitled to assign this Master Secondment Agreement without consent of the Employer to any Affiliate, to which it is entitled to assign operatorship under Clause 7.11 of the UUOA, provided that the successor must execute an assumption agreement in a form and substance which is reasonably satisfactory to the Employer by which the successor Operator agrees to be bound by the terms and conditions of this Master Secondment Agreement.

7.2 Captions.

The captions in this Master Secondment Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Master Secondment Agreement.

7.3 Confidentiality.

The existence and terms of this Master Secondment Agreement are confidential and shall not be disclosed by either Party, except such disclosures as permitted under Article 5.1 of this Master Secondment Agreement.

7.4 Counterparts.

This Master Secondment Agreement may be executed in counterparts, and by each Party in separate counterparts, each of which shall be deemed an original instrument, but both such counterparts together shall constitute one agreement.

7.5 Expenses.

Each Party shall pay its own legal fees and other costs and expenses incurred by it in connection with the execution and delivery of this Master Secondment Agreement.

7.6 Governing Law.

This Master Secondment Agreement shall be governed by, construed, interpreted and applied in accordance with the laws of the jurisdiction specified in Clause 20.2 of the UUOA, which laws shall apply by reference to the Master Secondment Agreement.

7.7 Dispute Resolution.

Any dispute arising under this Master Secondment Agreement shall be resolved in accordance with Clause 20.3 of the UUOA, which shall apply by reference to the Master Secondment Agreement.

7.8 No Third Person Beneficiaries.

The Contracts (Rights of Third Parties) Act 1999 (the "Act") shall only apply in respect of any relief from liability, hold harmless, indemnity or benefit expressly granted by Article 4 and, without prejudice to that Article, no Person who is not a Party (a "Third Party") shall otherwise have any right pursuant to the Act to enforce any term of this Master Secondment Agreement. Any rights held by a Third Party hereunder may only be enforced by arbitration in accordance with Article 7.7. The consent of a Third Party shall not be necessary for any revision or variation (including any release or compromise in whole or in part of any liability), novation or termination of this Master Secondment Agreement.

7.9 Notice.

The Notices provisions set forth in Clause 19 of the UUOA shall apply mutatis mutandis to this Master Secondment Agreement.

7.10 Severability.

The invalidity of any one or more provisions of this Master Secondment Agreement will not affect the validity of this Master Secondment Agreement as a whole, and in case of any such invalidity, this Master Secondment Agreement will be construed as if the invalid provision had not been included herein.

7.11 Waivers.

Any failure by either Party to comply with any of its obligations, agreements, or conditions herein contained may only be waived in writing in an instrument specifically identified as a waiver and signed by the Party to whom such compliance is owed. No waiver of, or consent to a change in, any provision of this Master Secondment Agreement shall be deemed or shall constitute a waiver of, or consent to a change in, any other provisions hereof, nor shall such waiver constitute a continuing waiver unless expressly provided in the waiver.

7.12 Conflict.

In the event of any conflict between the provisions of the UUOA, this Master Secondment Agreement, and if applicable a Seconded Agreement, the provisions of the UUOA shall prevail over the provisions of this Master Secondment Agreement (except as otherwise expressly provided in the UUOA) and if applicable the Seconded Agreement, and the provisions of this Master Secondment Agreement shall prevail over the provisions of the Seconded Agreement, if applicable.

7.13 Entire Agreement.

This Master Secondment Agreement, including any attachments, constitutes the entire agreement between the Parties pertaining to the subject matter hereof, supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties with respect thereto, and may not be amended or modified except by a written instrument signed by both Parties expressly identifying it as an amendment or modification hereof.

{Signature Page(s) to Follow}

IN WITNESS of their agreement, the Parties have caused their respective duly authorized representatives to execute this Master Secondment Agreement on the date first written above.

Operator:

Tullow Ghana Limited

By: *Peter Sloan* *act for*
Name: PETER SLOAN *ANDRANUS DJOKO*
Title: GROUP LEGAL MANAGER *SWE LEPH*

Employer:

Anadarko WCTP Company

By: *C. E. Provost, Jr.*
Name: Charles E. Provost, Jr.
Title: Vice President



**Attachment A to the Master Secondment Agreement
SECONDEE'S SPECIFICATIONS**

Executed this _____ day of _____

Name

The Secondee shall be _____

Employer of Secondee _____

Qualifications

The Secondee shall have the following qualifications and experience:

Position

The Secondee shall have the position of _____ in Operator's organization which [shall/shall not] constitute a Senior Supervisory Personnel position as defined in the UJCA, and shall report to the _____ in Operator's organization.

Services

Secondee shall have and perform the following duties and authorities ("*Services*"):

[job description and specifications]

Secondment Location and Duration

Secondee's Home Location shall be _____

The Secondee shall work in Operator's offices in _____ ("*Secondment Location*") commencing on _____ and ending on _____ ("*Secondment Period*").

Monthly Rate

Employer will charge Operator US\$ _____ for each Month of the Secondee's Secondment ("*Monthly Rate*").

Operator:

By: _____

Name: _____

Title: _____

Employer:

By: _____

Name: _____

Title: _____

Attachment B to the Master Secondment Agreement

FORM OF SECONDEE AGREEMENT

[NOTE: PLEASE INCLUDE EMPLOYER AFFILIATE WHERE AN EMPLOYER AFFILIATE (RATHER THAN THE EMPLOYER) IS THE DIRECT EMPLOYER OF SECONDEE. IF THE EMPLOYER IS THE DIRECT EMPLOYER OF SECONDEE, DELETE ALL REFERENCES TO EMPLOYER AFFILIATE IN THIS DOCUMENT.]

THIS SECONDEE AGREEMENT (the "*Secondee Agreement*") executed this _____ day of _____, between _____, ("*Operator*") and _____ ("*Employer*"), [_____ ("*Employer Affiliate*") and _____ ("*Secondee*") is entered into effective as of _____ (the "*Effective Date*") (Operator, Employer, [Employer Affiliate] and Secondee are sometimes referred to collectively as the "*Parties*" and individually as a "*Party*") and is premised on the fact that:

WHEREAS:

- (A) Operator and Employer have entered into that certain Master Secondment Agreement dated _____, 2009 (the "*Master Secondment Agreement*"), which, among other things, governs the relationship between Employer and Operator with respect to this Secondment; and
- (B) Pursuant to the Utilization and Unit Operating Agreement covering the Jubilee Field Unit located offshore in the Republic of Ghana among Operator, Employer and others, dated _____, 2009 (the "*UUOA*"), Employer may, as the result of Operator's request or Employer's proposal, second (or cause its Affiliates to second) in accordance with the Master Secondment Agreement its employees to fill certain positions in Operator's organization for conduct of operations.

In consideration of the premises set out above, and the provisions set out below, the Parties agree as follows:

SECTION I: TERMS

1.1 Secondment.

The Secondee shall:

- (A) have the position of _____ in Operator's organization;
- (B) provide _____ services in relation to such position ("*Services*");
- (C) perform such Services in _____ (the "*Secondment Location*");
- (D) accept that the Secondment shall be for a period commencing on _____ and ending on _____ (the "*Secondment Period*") unless such Secondment Period is extended or terminated; and
- (E) report to the [position] in Operator's organization.

1.2 Conduct.

- (A) Secondee shall be integrated into Operator's organization for the Secondment Period and shall comply with:
 - 1) All applicable rules, regulations, policies and other practices established by Operator for its employees;
 - 2) Laws and regulations applicable to the Services and this Secondee Agreement; and
 - 3) Instructions and directions of Operator with respect to the performance of the Services and actions taken on Operator's behalf provided that such instructions and directions are compliant with applicable rules, regulations, policies and other practices established by Operator.
- (B) Secondee shall perform the Services contemplated by this Secondee Agreement with due diligence and in a good, competent, professional and safe manner in accordance with applicable laws and regulations, the standards and practices of the international petroleum industry, and the supervision and control of the Operator.

1.3 Status of Secondee.

Secondee acknowledges that:

- (A) Secondee is and shall continue to be an employee of [Employer/Employer Affiliate] and not of the Operator for all purposes, and shall remain on [Employer's/Employer Affiliate's] payroll. As an employee of [Employer/Employer Affiliate], any employment benefits that he or she is entitled to during Secondment including, but not limited to, all forms of remuneration, promotion, provision of benefits and career planning, will be provided to him or her by [Employer/Employer Affiliate] and he or she will be limited to those benefits offered to employees by [Employer/Employer Affiliate] and to which he or she is eligible under [Employer's/Employer Affiliate's] benefit plans and policies;
- (B) For the avoidance of doubt, Secondee shall not be entitled to or eligible for any employment benefits including, but not limited to, all forms of remuneration, provision of benefits which are provided by the Operator or any of its partners or affiliates to its or their employees, directors or contractors;
- (C) [In the event the Secondee suffers or incurs a job-related injury during his or her Secondment, workers' compensation insurance coverage will be provided to him or her by [Employer/Employer Affiliate], such workers' compensation insurance will extend to and cover such on-the-job injury or injuries incurred during the Secondment, and that such workers' compensation will be his or her exclusive remedy against Employer, [Employer Affiliate], Operator, or the partners or affiliates of Operator or Employer [or Employer Affiliate] for any such work-related injuries during the Secondment.] *[NOTE: OPTIONAL. SUBJECT TO EMPLOYER'S DISCRETION]*
- (D) As an employee of [Employer/Employer Affiliate], Secondee will take no action on behalf of Operator or its Affiliate(s) except as may be specifically authorized in writing by Operator;
- (E) Operator shall have the right to specify the scope and nature of Secondee's work and the results to be achieved, and to direct Secondee in the performance of the Services throughout the Secondment Period;
- (F) Secondee shall have no authority to make any statement, representation, or commitment of any kind or to take any action that shall be binding upon Operator, except as may be specifically authorized in writing by Operator;
- (G) Secondee's Secondment is a temporary secondment and, subject to the terms of this Agreement, is anticipated to continue until the end of the Secondment Period; and
- (H) Operator shall have no authority to terminate employment or to administer disciplinary action with respect to Secondee. Only the Employer [or Employer Affiliate] shall have authority to discipline Secondee. For the avoidance of doubt, the terms of this Section 1.3(H) shall be without prejudice to Operator's right to terminate Secondee's Secondment as provided in Section 3 of this Secondee Agreement.

1.4 Change of Location or Services.

Subject to Secondee's agreement, Secondee's Secondment Location and scope of the Services to be rendered under this Secondee Agreement may be changed from time to time.

SECTION 2: CONFIDENTIALITY AND WAIVER

2.1 Confidential Information.

- (A) Secondee acknowledges that all information and data obtained by Secondee in the performance of this Secondee Agreement is the property of the Operator and/or the Parties to the UUOA, or of the Government of the Republic of Ghana.
- (B) Secondee shall hold all such data and information strictly confidential, and without the prior written consent of Operator shall not disclose any such information or data to anyone, except disclosure of:
 - 1) Information and data with respect to Unit Operations to Employer, or any other Party to the UUOA which is not in default of the UUOA;
 - 2) Information and data to the extent required to be furnished in compliance with the applicable law or regulations, or pursuant to any legal proceedings or because of any order of any court binding upon Secondee; provided that, where reasonably possible, prior to any such disclosure the Secondee provides reasonable advance notice of the disclosure and the legal reasons for such disclosure to Operator;

- 3) Information and data to its attorneys engaged by Seconded, where disclosure of such information and data is essential to such attorneys' work for Seconded in relation to this Seconded Agreement; or
 - 4) Information and data which, through no fault of Seconded, is or becomes a part of the public domain.
- (C) Seconded further acknowledges that certain information made available to such Seconded during his or her Secondment may include data covered by the Export Administration Regulations of the United States Government (the "*Regulations*"). In accordance with these Regulations, the Seconded acknowledges that neither the unpublished technical data disclosed to him or her during his or her Secondment nor the direct product thereof, may be shipped, directly or indirectly, to any of the countries to which export is prohibited under the Regulations.
- (D) Seconded further acknowledges that the existence and terms of this Seconded Agreement are confidential on the terms set forth above in this Section.
- (E) Seconded acknowledges that any breach of the duty of confidentiality may result in Seconded's immediate removal pursuant to Section 3.2(K). Seconded further acknowledges that because monetary damages may not be an adequate remedy for breach of the duty of confidentiality, Seconded specifically agrees that Operator is entitled to enforce the duty of confidentiality by obtaining injunctive or other equitable relief.

2.2 Competitive Advantage.

Seconded acknowledges that the international oil and gas business is highly competitive. Seconded also acknowledges that the information which Seconded obtains about Operator's strategies, methods, and business relationships comprises confidential business information which enables Operator to obtain a competitive advantage, and that maintaining confidentiality of such business information is of critical importance to Operator in maintaining its competitive position. Seconded covenants not to use such information in a manner that Seconded knows, or reasonably should know, may be prejudicial to the interests of Operator or its Affiliates, particularly in Ghana, during the term of this Seconded Agreement, and not to communicate to Employer [or Employer Affiliate] any specific business opportunities unrelated to the UUOA of which Seconded becomes aware from Operator or its Affiliates in the course of performing this Seconded Agreement; provided that nothing in this Section 2.2 shall prevent Seconded from communicating with Employer and its Affiliates concerning information relating to operations under the UUOA, so long as Employer is not in default under the UUOA. Seconded acknowledges that Seconded shall not have any interest in any granting instrument or other contract which Operator or its Affiliates may obtain as a direct or indirect result of Seconded's efforts. Seconded acknowledges that the restrictions set out above may limit his or her ability to engage in businesses similar to Operator's and its Affiliates' during the term of this Seconded Agreement.

SECTION 3: DURATION

3.1 Term.

This Seconded Agreement shall come into effect on the Effective Date and shall continue to be in full force and effect until expiration of the Secondment Period unless it is terminated earlier in accordance with Section 3.2 below.

3.2 Termination.

The Seconded hereby acknowledges that this Seconded Agreement may be terminated by either the Operator or the Employer for the following reasons:

- (A) a termination of the Master Secondment Agreement;
- (B) the Seconded ceasing to be the employee of [Employer/Employer Affiliate];
- (C) [Employer Affiliate ceasing to be an Affiliate of the Employer;]
- (D) Employer ceasing to hold an interest in the UUOA;
- (E) If necessary work permits, visas and any other administrative authorization required to allow the Seconded to work and reside in the Secondment Location are not obtained within a reasonable period of time, or are cancelled or withdrawn;
- (F) If the Unit Operating Committee fails to approve the funding for such Secondment;

- (G) If Employer [or Employer Affiliate] needs the Secondee's services in connection with another project;
- (H) Secondee's repeated failure to comply with Operator's workplace rules, regulations and policies, or the directions given by Operator's management;
- (I) Secondee's failure, after receiving notice of unsatisfactory performance, to perform the Services in a manner that in Operator's reasonable judgment is satisfactory;
- (J) Secondee's engagement in serious misconduct or violation of any substantive or material laws, which in Operator's reasonable judgment significantly either: (a) impairs such Secondee's ability to perform the Services or to live and work in the Secondment Location; or (b) adversely affect Operator's relations with any Governmental Authority;
- (K) Secondee's material breach of the confidentiality obligations set out in Section 2 of this Secondee Agreement; or
- (L) In the event of a Force Majeure under the UUOA.

3.3 Survival.

The provisions of Sections 2 and 4 shall survive the termination of this Secondee Agreement.

SECTION 4: MISCELLANEOUS

4.1 Assignment.

Neither the Operator nor the Employer shall have the right to assign or otherwise transfer all of any part of this Secondee Agreement without the corresponding assignment or transfer of the Master Secondment Agreement.

[Neither Employer Affiliate nor] Secondee shall not assign or otherwise transfer all or any part of this Secondee Agreement nor shall Secondee delegate any of his or her rights or duties under this Secondee Agreement, without the prior written consent of the Operator and the Employer, and any transfer or delegation made without such consent shall be void.

4.2 Governing Law and Dispute Resolution.

This Secondee Agreement shall be governed by, construed, interpreted and applied in accordance with the laws of [NOTE: TO BE INSERTED AS APPROPRIATE], excluding any choice of law rules, which would refer the matter to the laws of another jurisdiction and the courts of [NOTE: TO BE INSERTED AS APPROPRIATE] shall have jurisdiction to hear all disputes that cannot be amicably settled between the Parties.

4.3 Notice.

Any notice to be given in relation to this Secondee Agreement shall be in writing and delivered either by mail, courier or fax (but not e-mail) and addressed to the following addresses:

OPERATOR

EMPLOYER

[EMPLOYER AFFILIATE]

SECONDEE

.....
.....

4.4 Effect of invalidity of certain provisions.

The invalidity of any one or more provisions of this Seconded Agreement will not affect the validity of this Seconded Agreement as a whole, and in case of any such invalidity, this Seconded Agreement will be construed as if the invalid provision had not been included herein.

4.5 Conflict.

With respect to the rights and obligations between Seconded, and [Employer/Employer Affiliate], in the event of any conflict between Seconded's employment arrangement with [Employer/Employer Affiliate] and this Seconded Agreement, the provisions of this Seconded Agreement shall prevail over the provisions of such employment arrangement.

With respect to the rights and obligations between [Employer, Employer Affiliate] and Operator, in the event of any conflict between the provisions of Clause 7.3 of the UOJA, the Master Secondment Agreement and this Seconded Agreement, the provisions of Clause 7.3 of the UOJA shall prevail over the provisions of the Master Secondment Agreement and this Seconded Agreement, and the provisions of the Master Secondment Agreement shall prevail over the provisions of this Seconded Agreement.

4.6 Entire Agreement.

This Seconded Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof, supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written, of the Parties with respect thereto, and may not be amended or modified except by a written instrument signed by all Parties expressly identifying it as an amendment or modification hereof.

IN WITNESS of their agreement, the Parties have caused this Seconded Agreement to be executed.

Operator:

By: _____
Name: _____
Title: _____

Employer:

By: _____
Name: _____
Title: _____

[Employer Affiliate:

By: _____
Name: _____
Title: _____]

Secondee

I HEREBY CERTIFY THAT I HAVE CAREFULLY READ, FULLY UNDERSTAND AND VOLUNTARILY SIGN THIS SECONDEE AGREEMENT, AND UNDERSTAND COMPLETELY ALL THE TERMS USED AND THEIR SIGNIFICANCE. I ALSO CONFIRM THAT I WAS GIVEN AN OPPORTUNITY TO SEEK COUNSEL AND GUIDANCE AS NECESSARY REGARDING THE APPLICATION OF THE PRINCIPLES AND EXPECTATIONS SET FORTH IN THIS SECONDEE AGREEMENT

By: _____

Name: _____

Title: _____

MASTER SECONDMENT AGREEMENT

Tullow Ghana Limited (1)

Kosmos Energy Ghana LLC (2)

HOU03:1196032

Master Secondment Agreement, Kosmos to Tullow

MASTER SECONDMENT AGREEMENT

TABLE OF CONTENTS

ARTICLE 1: DEFINITIONS AND REFERENCES	1
1.1 Definitions.....	1
1.2 References.....	2
ARTICLE 2: TERMS OF SECONDMENT	2
2.1 Secondment.....	2
2.2 Conduct.....	3
2.3 Status of Employer, Employer Affiliate and Secondee.....	3
2.4 Permits.....	4
2.5 Operator’s Assistance.....	4
2.6 Employer’s Assistance.....	4
2.7 Specific Secondment Location provisions.....	5
2.8 Change of Location or Services.....	5
2.9 Temporary Return.....	5
2.10 Vacation.....	5
2.11 Restriction on Solicitation.....	5
2.12 Requests for Information.....	5
ARTICLE 3: COSTS	6
3.1 Responsibilities of Employer.....	6
3.2 Monthly Charge.....	6
3.3 Relocation Costs.....	6
3.4 Procedure.....	7
3.5 Past Due Amounts.....	7
ARTICLE 4: LIABILITY AND INDEMNITY	7
4.1 Liability and Indemnity.....	7
4.2 Notice of Claim and Opportunity to Defend.....	7
4.3 Limitation of Liability.....	7
4.4 Scope and Cost of Indemnities.....	7
4.5 Employer’s Liability Insurance.....	8
ARTICLE 5: CONFIDENTIALITY AND COMPETITION	8
5.1 Confidential Information.....	8
5.2 Breach of Confidentiality.....	8
5.3 Right of Competition.....	8
ARTICLE 6: DURATION AND TERMINATION	8
6.1 Duration of Master Secondment Agreement and the Secondment.....	8
6.2 Operator’s Right to Terminate the Secondment.....	9

6.3	Employer's Right to Terminate the Secondment	10
6.4	Secondce's Replacement	10
ARTICLE 7: MISCELLANEOUS		11
7.1	Assignment.....	11
7.2	Captions.....	11
7.3	Confidentiality.....	11
7.4	Counterparts.....	11
7.5	Expenses.....	11
7.6	Governing Law.....	11
7.7	Dispute Resolution.....	11
7.8	No Third Person Beneficiaries.....	11
7.9	Notice.....	11
7.10	Severability.....	11
7.11	Waivers.....	12
7.12	Conflict.....	12
7.13	Entire Agreement.....	12

THIS MASTER SECONDMENT AGREEMENT (hereinafter referred to as the "*Master Secondment Agreement*") is made on 13 JULY, 2009,

BETWEEN:

- (1) Tullow Ghana Limited, a company existing under the laws of Jersey, Channel Islands ("*Operator*"), and
- (2) Kosmos Energy Ghana HC, a company existing under the laws of the Cayman Islands ("*Employer*")

Operator and Employer are sometimes referred to collectively as the "*Parties*" and individually as a "*Party*"

WHEREAS:

- (A) Operator and Employer each hold an undivided share of the rights of "*Contractor*" under:
 - (1) The Petroleum Agreement for the Deepwater Tano Contract Area dated March 10, 2006; and
 - (2) The Petroleum Agreement for the West Cape Three Points Contract Area dated July 22, 2004.
- (B) Pursuant to the Unitization and Unit Operating Agreement covering the Jubilee Field Unit located offshore in the Republic of Ghana among Operator, Employer and others, dated 13 JULY, 2009 (the "*UUOA*") Employer may from time to time second (or cause its Affiliates to second) qualified personnel to fill certain positions in Operator's organization for the conduct of Unit Operations, and the Operator shall accept such secondments for the provision of services relating to Unit Operations, all in accordance with the terms of this Master Secondment Agreement.

In consideration of the premises set out above, and the provisions set out below, the Parties agree as follows:

Article 1: DEFINITIONS AND REFERENCES

1.1 Definitions.

Capitalized terms used in this Master Secondment Agreement and not otherwise defined herein shall have the meaning given to such terms in the UUOA.

- (A) "*Employer Affiliate*" means an Affiliate of the Employer which is the direct employer of a Secondee seconded under the terms of this Agreement.
- (B) "*Home Location*" means, with respect to each Secondee, the location specified in the Secondee's Specifications which will generally be (a) the Secondee's last place of primary residence; (b) the location where the Secondee was hired or was working immediately prior to transfer to the Secondment Location; or (c) the Secondee's country of citizenship where family or other ties can be demonstrated.
- (C) "*Monthly Charge*" shall have the meaning set out in Article 3.2.
- (D) "*Monthly Rate*" means, with respect to each Secondee, the rate agreed in the Secondee's Specifications to apply for each month of Secondee's Secondment which will be based on the actual documented costs and expenses incurred by Employer (directly or through an Employer Affiliate) with respect to such Secondee's employment with Employer (or with an Employer Affiliate) and shall reflect, *inter alia*, the cost of salary and other compensation, employer's liability insurance, employment related taxes and fees.
- (E) "*Secondee*" means any employee of Employer (or an Employer Affiliate) seconded to Operator in accordance with the terms of this Master Secondment Agreement.
- (F) "*Secondee Agreement*" means an agreement to be entered into between Operator, Employer, an Employer Affiliate (if such Employer Affiliate is the employer of the Secondee) and a Secondee in a format substantially similar to the form provided in Attachment B to this Master Secondment Agreement.
- (G) "*Secondee's Specifications*" means, with respect to each Secondee, a document to be executed between the Parties in a format substantially similar to the form provided in Attachment A to this Master Secondment Agreement, which sets out the main specifications of such Secondee's Secondment and the Monthly Rate to be charged for such Secondee's Services.

- (H) **"Secondment"** means Employer's (or an Employer Affiliate's) secondment of a Secondee to Operator's organisation to perform the Services at the Secondment Location.
- (I) **"Secondment Location"** means, with respect to each Secondee, the location specified in the Secondee's Specifications and Secondee Agreement, where such Secondee shall perform the Services.
- (J) **"Secondment Location Addendum"** means a document, which the Parties may execute after the date hereof pursuant to the provisions of Article 2.7, setting out the support arrangements which shall apply to a specific Secondment Location.
- (K) **"Secondment Period"** means, with respect to each Secondee, the period specified in the Secondee's Specifications and Secondee Agreement, during which such Secondee shall perform the Services provided that, unless otherwise agreed between the Parties in writing, the following shall apply:
 - a) where Secondee's Secondment Location is within the country of such Secondee's Home Location, the Secondment Period shall be no less than twelve (12) Months; and
 - b) where Secondee's Secondment Location is outside of the country of such Secondee's Home Location, the Secondment Period shall be no less than twenty four (24) Months.
- (L) **"Services"** means, with respect to each Secondee, the duties and authorities described in the Secondee's Specifications, to be performed by such Secondee to support Operator in the performance of Unit Operations under the UUOA.
- (M) **"Third Party"** shall have the meaning set out in Article 7.8.

1.2 References.

Unless expressly provided to the contrary, in this Master Secondment Agreement:

- (A) Reference to any gender includes a reference to both genders;
- (B) Reference to the singular includes the plural, and vice versa;
- (C) Reference to any Article means an Article of this Master Secondment Agreement;
- (D) Reference to any Clause means a Clause of the UUOA;
- (E) Reference to any Attachment means an Attachment to this Master Secondment Agreement, all of which are incorporated into and made a part of this Master Secondment Agreement;
- (F) "hereunder", "hereof", "herein", and words of similar import are references to this Master Secondment Agreement as a whole and not any particular Article or other provision of this Master Secondment Agreement;
- (G) "include" and "including" shall mean include or including without limiting the generality of the description preceding such term and are used in an illustrative sense and not a limiting sense; and
- (H) Reference to a Secondee includes dependents of such Secondee where applicable.

Article 2: TERMS OF SECONDMENT

2.1 Secondment.

- (A) At any time during the term of this Master Secondment Agreement, Employer may provide (or cause its Employer Affiliate to provide) a Secondee to Operator pursuant to and in accordance with the terms of Clause 7.3 of the UUOA and this Master Secondment Agreement.
- (B) Prior to commencement of any Secondment, Operator and Employer shall agree and execute Secondee's Specifications setting out the main terms of the Secondment with respect to such Secondee. No change to the terms of a Secondee's Specifications shall become effective unless and until such change is mutually agreed by Operator and Employer.
- (C) Employer represents that each Secondee is an employee of Employer or an Employer Affiliate and has the qualifications and experience necessary to perform the Services as summarised in the applicable Secondee Specifications.

- (D) Employer shall assign (or cause its Employer Affiliate to assign) each Secondee to perform the Services at the relevant Secondment Location for the Secondment Period, and to report to Operator in accordance with the terms of this Master Secondment Agreement and the Secondee Agreement.
- (E) Operator shall designate each Secondee to fill the position agreed in such Secondee's Specifications within Operator's organization, integrate each Secondee into Operator's organization for the purposes of this Master Secondment Agreement, and authorize each Secondee to perform the Services at the Secondment Location for the Secondment Period in accordance with this Master Secondment Agreement.
- (F) Subject to Article 2.1(B) above, Operator shall have the right to specify the scope and nature of each Secondee's Services and the results to be achieved, and to direct each Secondee in the performance of such Services.
- (G) Prior to commencement of each Secondment of a Secondee, Operator, Employer, an Employer Affiliate (if such Employer Affiliate is the employer of the Secondee) and the Secondee shall enter into a Secondee Agreement.

2.2 Conduct.

- (A) Each Secondee shall be integrated into Operator's organization for the Secondment Period and consequently shall be subject to:
 - 1) The supervision and control of the Operator;
 - 2) All applicable rules, regulations, policies and other practices established by Operator for its employees;
 - 3) Laws/Regulations applicable to the Unit Operations; and
 - 4) Instructions and directions of Operator with respect to the performance of Services and actions taken on Operator's behalf and pursuant to Article 2.2(A)(1).
- (B) Employer shall use (or shall cause its Employer Affiliate to use) all reasonable efforts to ensure that:
 - 1) Each Secondee complies with the provisions of Article 2.2(A); and
 - 2) Each Secondee shall perform the Services contemplated by this Master Secondment Agreement, and if applicable the Secondee Agreement, with due diligence and in a good, competent, professional and safe manner in accordance with applicable Laws/Regulations, standards and practices of the international petroleum industry, and the supervision and control of the Operator.

2.3 Status of Employer, Employer Affiliate and Secondee.

- (A) Employer and each Employer Affiliate shall be an independent contractor engaged by Operator to make each Secondee available for the purposes of this Master Secondment Agreement, and neither Employer nor any Employer Affiliate (as the case may be) shall be, or shall be deemed to be, an agent, servant or employee of Operator.
- (B) Notwithstanding that, for the duration of the Secondment Period, Operator shall have the right to exercise supervision and control over each Secondee, each Secondee shall continue to be an employee of Employer or an Employer Affiliate (as the case may be) for all purposes, including performance management, remuneration, employee benefits, promotion and career planning, and shall not be a servant or employee of Operator. A Secondee shall not be nor be deemed to be an agent, servant or employee of Operator.
- (C) For the avoidance of doubt, Operator shall have no authority to terminate employment or to administer disciplinary action with respect to a Secondee, except to terminate the Secondment pursuant to Article 6 below. Only the Employer (directly or through its Employer Affiliate) shall have authority to discipline a Secondee.
- (D) For the avoidance of doubt, Operator shall have no authority to make any direct payments in any form (including remuneration, benefits or promotions) to a Secondee with respect to such Secondee's performance of the Services except as may be otherwise agreed by the Parties.

2.4 Permits.

Employer shall be responsible for obtaining any work permits, visas and any other administrative authorizations required to allow each Secondee, and if applicable his or her dependents, to work and reside in the Secondment Location for the Secondment Period. Operator shall provide any assistance reasonably requested by Employer in connection with obtaining such permits, visas and authorizations.

2.5 Operator's Assistance.

(A) Operator shall provide the following items and services to each Secondee to the same extent that Operator provides such items and services to Operator's managerial and technical staff and their dependents in the Secondment Location:

- 1) Facilities and equipment with which to perform the Services;
- 2) Security, safety and first aid services and facilities, if needed; and
- 3) Upon Secondment of each Secondee pursuant to this Master Secondment Agreement, a copy of all applicable rules, regulations, policies and other practices referred to in Article 2.2(A)(2) established by Operator for its employees that will be applicable to such Secondee and any revisions thereto.

(B) In addition, subject to Article 2.7 (if applicable), with respect to each Secondee's Secondment Location, Operator shall provide to such Secondee, or reimburse the Employer for the following items and services provided by the Employer (either directly or through an Employer Affiliate) to such Secondee, and his or her dependants in the Secondment Location:

- 1) Transportation and accommodation to, from and within the Secondment Location to the same extent that Operator provides such items and services to Operator's staff taking into account the position of the Secondee;
- 2) Meals, other items and services, and living expenses in the Secondment Location to the same extent Employer provides, or would provide (either directly or through an Employer Affiliate), such items and services to Employer's (or its Employer Affiliate's) staff in the Secondment Location taking into account the position of the Secondee;
- 3) Taxes, social security, duties and any similar charges levied on and paid by or on behalf of the Secondee in the Secondment Location, including income, sales, excise, value added, property and other taxes and import/export duties to the same extent Employer provides, or would provide (either directly or through an Employer Affiliate), such items and services to Employer's (or its Employer Affiliate's) staff in the Secondment Location taking into account the position of the Secondee including the effect of any benefit flowing to the Employer, an Employer Affiliate (where applicable) or Secondee from foreign tax credits received by the Employer, an Employer Affiliate (where applicable) or Secondee in the Secondee's Home Location for taxes and duties levied in the Secondment Location; and
- 4) Emergency evacuation in case of an emergency or life-threatening medical condition (in the absence of adequate medical facilities to handle such a case).

For the avoidance of doubt, all costs and expenses associated with items and services provided by Operator pursuant to this Article 2.5 shall be chargeable to the Unit Account and treated in accordance with the terms of the UJOA.

2.6 Employer's Assistance.

Subject to Article 2.7 (if applicable) and to the extent not provided by Operator under Article 2.5 above, Employer shall provide (either directly or through an Employer Affiliate) to the Secondee and its dependants in the Secondment Location the following items and services:

- (A) Transportation and accommodation to, from and within the Secondment Location;
- (B) Meals, other items and services, and living expenses in the Secondment Location;
- (C) Taxes, social security, duties and any similar charges levied on and paid for by or on behalf of the Secondee in the Secondment Location, including without limitation income, sales, excise, value added, property and other taxes and import/export duties; and

- (D) Emergency evacuation in case of an emergency or life-threatening medical condition (in the absence of adequate medical facilities to handle such a case).

For the avoidance of doubt all costs and expenses associated with items and services provided by Employer (either directly or through an Employer Affiliate) pursuant to this Article 2.6 shall be chargeable to the Operator and subsequently charged to the Unit Account and treated in accordance with the terms of the UOQA.

2.7 Specific Secondment Location provisions.

At any time after the date hereof, but prior to Employer's agreement to provide (or cease to provide through its Employer Affiliate) Secondees to a particular Secondment Location, should a Party wish to enter into specific support arrangements with respect to such Secondment Location the Parties may agree and enter into one or more Secondment Location Addenda, the terms of which may be amended from time to time by mutual agreement of the Parties. For the avoidance of doubt, unless the Parties enter into a separate Secondment Location Addendum, the terms of Secondment to a Secondment Location shall be governed by the terms of this Agreement.

2.8 Change of Location or Services.

- (A) If Operator, in the exercise of its reasonable judgment, determines with respect to any Secondee that:
- 1) A change of the Secondment Location is necessary, Operator shall promptly so notify Employer in writing specifying the effective date of such proposed change, and shall request Employer to approve the transfer of the Secondee to the new Secondment Location; or
 - 2) A material change of Services is necessary due to the evolution of Unit Operations, Operator shall promptly so notify Employer in writing specifying the details of such proposed change and the proposed effective date of such change, and shall request Employer to approve the change of Services.
- (B) If Operator makes a determination as described in Article 2.8(A), Employer shall not unreasonably withhold its approval.
- (C) For the avoidance of doubt, where the Employer does not agree to the change of Secondment Location as provided for in this Master Secondment Agreement, such Employer may terminate Secondee's Secondment in accordance with the terms of Article 6.3(C) below and shall not be obligated to provide an alternative Secondee to the Operator.

2.9 Temporary Return.

Employer shall be entitled to require the return of a Secondee from time to time for periods of short duration for administrative or training purposes, subject to Operator's consent as to the timing of such return, which consent shall not be unreasonably withheld. Any travel costs associated with such temporary return shall be reflected in Employer's charges to Operator as provided for in Article 3.2.

2.10 Vacation.

Each Secondee is entitled to a vacation according to the personnel policies of Employer. Vacation may only be taken after consultation with Operator and is subject to Operator's reasonable operational requirements. Operator shall notify Employer annually of all vacation that a Secondee takes in accordance with the Employer's personnel policies. For the avoidance of doubt, all travel costs associated with such vacation and which are in accordance with personnel policies of Employer shall be reflected in Employer's charges to Operator as provided for in Article 3.2.

2.11 Restriction on Solicitation.

Operator may neither solicit nor hire a Secondee for a period of twenty-four (24) months after the term of Secondee's Secondment under this Master Secondment Agreement ended or terminated without obtaining the prior written consent of Employer.

2.12 Requests for Information.

- (A) If requested by Employer, Operator shall provide Employer with a summary of work accomplishments and a performance appraisal for each Secondee in the format that Operator uses to assess its employees.
- (B) If requested by Employer, Operator shall provide to Employer an annual report scheduling the amount and type of each payment or benefit that Operator provided to or on behalf of each Secondee.

- (C) If requested by Operator, Employer shall provide (or cause its Employer Affiliate to provide) Operator with reasonable details of each Seconded's payroll and other compensation to facilitate budgeting, tax compliance and invoice processing.
- (D) The Parties shall endeavour to provide each other with such other information or assistance as is reasonably required in connection with this Master Secondment Agreement or any claim by a Seconded against either Party.

Article 3: COSTS

3.1 Responsibilities of Employer.

Unless otherwise agreed between Employer and Operator in a Secondment Location Addendum applicable to a specific Secondment Location (if any), Employer, acting in compliance with Employer's personnel policies, shall continue to be responsible (either directly or through an Employer Affiliate) for and shall bear and pay (and Operator shall not be responsible for the delivery of):

- (A) Each Seconded's base salary and other compensation in any form, including all customary allowances, entitlements and benefits, earned by such Seconded during its employment with the Employer (or Employer Affiliate, if applicable) while on Secondment to the Operator's organization;
- (B) Health insurance, pension plan, defined contribution plan, profit sharing or stock option plan, or any other employment-related contributions for the benefit of each Seconded as an employee, whether statutory or otherwise;
- (C) Employer's (or an Employer Affiliate's, if applicable) liability insurance, including insurance against claims for compensation by third parties, and all obligations arising under applicable workers' compensation laws in respect of each Seconded to the extent normally extended by Employer (or an Employer Affiliate, if applicable) to its Home Location employees. Notwithstanding anything to the contrary in this Article 3.1(C), Operator shall provide any statutory insurance or benefits which are required under labour or social agreements in the Secondment Location to the same extent Operator provides, or would provide, such items to Operator's employees in the Secondment Location;
- (D) Home expenses with respect to the Seconded's residence in the Home Location which shall include Seconded's home sale expenses, property management and maintenance expenses;
- (E) Taxes in the Home Location of each Seconded while in the Secondment Location, which shall include payroll taxes, withholding taxes or any other form of cost or charge assessed in respect of the employment of each Seconded; and
- (F) Any other direct costs, charges or expenses assessed against an Employer (either directly or through an Employer Affiliate) under any applicable Laws/Regulations in relation to the employment of persons such as a Seconded.

3.2 Monthly Charge.

With respect to each Secondment, Employer shall charge Operator, on a monthly basis: (a) the Monthly Rate for each month during such Secondment; (b) any other costs and expenses that are incurred by Employer (either directly or through an Employer Affiliate) under the terms of this Master Secondment Agreement and any other items which may be incurred by Employer (either directly or through an Employer Affiliate) under the terms of the applicable Secondment Location Addendum (if any) that are attributable to each Seconded during the Secondment Period and that would be chargeable to the Unit Account under the Unit Accounting Procedure of the UUOA for an employee of Operator; and (c) all administrative costs and expenses and other indirect charges that are directly attributable or fairly allocated to the Secondment of each Seconded (collectively, the "Monthly Charge").

3.3 Relocation Costs.

In addition to the Monthly Charge, Employer shall, according to the personnel policies of Employer and to the extent chargeable to the Unit Account under the UUOA, charge the Operator for the actual documented costs incurred by Employer (either directly or through an Employer Affiliate) for relocation of each Seconded from his or her Home Location to the Secondment Location and return, which may include the following:

- (A) Transportation and travel expense;

- (B) Initial or temporary accommodation, meal and any other arrival expenses for up to a maximum of three (3) months;
- (C) Resettlement allowance;
- (D) Home sale assistance (which will include costs and expenses associated with Employer's (or an Employer Affiliate's, if applicable) assistance (acting in accordance with the personnel policies of Employer) to the Secondce with the sale of such Secondce's permanent accommodation in the Home Location);
- (E) Relocation agency costs; and
- (F) Air and sea freight and insurance charges;

3.4 Procedure.

- (A) Within fifteen (15) Days after the end of each Calendar Month, Employer shall invoice the Operator for the Monthly Charge for such month and for reimbursement of the costs referred to in Article 3.3 above. Each invoice shall be itemized by Secondce. Within fifteen (15) Days of the receipt of the invoice, Operator shall pay the amount of each invoice to Employer in U.S. Dollars by wire transfer of immediately available funds to the bank and account designated on the invoice.
- (B) Operator shall pay all amounts invoiced in full, whether or not disputed, and waives any right of set off, provided that Operator's payment of any charge shall be without prejudice to its right to later contest the charges. If Operator disputes all or any portion of an invoice, Operator and Employer shall confer as soon as practicable to resolve the dispute. If the dispute is resolved by Employer and Operator, or by the process of Clause 20.3 of the UUOA, in favour of Operator, Employer shall refund the disputed amount, together with interest thereon at the Agreed Interest Rate (as of the date the dispute is resolved or decided) from the date on which the disputed amount was paid by the Operator until the date the Employer refunded such disputed amount.

3.5 Past Due Amounts.

Any amounts not paid on or before the date due under this Master Secondment Agreement shall bear interest from the date due until paid in full at the interest rate provided for in Clause 10.4 of the UUOA.

Article 4: LIABILITY AND INDEMNITY

4.1 Liability and Indemnity.

The provisions of Clauses 7.3(G) and 7.6 of the UUOA shall apply with respect to any liability of Operator and/or Employer or Employer Affiliate arising out of or as a result of the Services performed pursuant to this Master Secondment Agreement.

4.2 Notice of Claim and Opportunity to Defend.

Each Party shall notify the other as soon as practicably possible after receiving notice of any claim, demand or action that may be presented to or served upon such Party or any other indemnified person affiliated with such Party by any third person or entity arising out of or as a result of the Services performed pursuant to this Master Secondment Agreement, and shall afford the other Party full opportunity to assume the defence of such claim, demand or action.

4.3 Limitation of Liability.

Without prejudice to the terms of the UUOA regarding any Party's liability for its ^{As P.S. Paying} ~~Noting~~ Interest share of such amounts allocated to the Unit Account, but notwithstanding the other terms of this Article 4, neither Party (nor any Employer Indemnitee nor Operator Indemnitee) shall be liable to the other for Consequential Loss or Environmental Loss deriving from a breach of any term of this Master Secondment Agreement.

4.4 Scope and Cost of Indemnities.

Any liability assumed or indemnity given by Employer for the benefit of Operator shall be deemed to be assumed or given also for the benefit of the Non-Operators and any cost or expense associated with such liability or indemnity shall be charged to the Operator and subsequently charged to the Unit Account and treated in accordance with the terms of the UUOA. Nothing in this Master Secondment Agreement shall be deemed to release Employer from or to limit any liability or obligation that Employer may have as a Party to the UUOA.

4.5 Employer's Liability Insurance.

Employer shall name (or cause its Employer Affiliate to name) Operator as an additional insured on Employer's (or Employer Affiliate's, if applicable) liability insurance, to the extent permitted by applicable law, and shall obtain waivers of rights of recourse against Operator and the Non-Operators.

Article 5: CONFIDENTIALITY AND COMPETITION

5.1 Confidential Information.

- (A) Each Party shall maintain as confidential, and not divulge, any information or data, other than Unit Data (which is governed by the UUOA) not publicly available, which is disclosed to such Party by the other as a consequence of the Secondment of Secondees pursuant to this Master Secondment Agreement, subject to those exceptions provided for in Clause 17.2(A) of the UUOA.
- (B) Employer shall be responsible for ensuring that each Secondee shall keep strictly confidential the terms of this Master Secondment Agreement and all information and data acquired by each Secondee during the Secondment; provided that nothing in this Master Secondment Agreement, or if applicable the Secondee Agreement, shall be deemed to prohibit a Secondee from disclosing:
- 1) Information and data with respect to Unit Operations to Employer, or any other Party to the UUOA which is not in default under the UUOA with respect to Unit Operations;
 - 2) Information and data to the extent required to be furnished in compliance with the applicable Law/Regulations, or pursuant to any legal proceedings or because of any order of any court binding upon such Secondee; provided that, where reasonably possible, prior to any such disclosure the Secondee provides reasonable advance notice of the disclosure and the legal reasons for such disclosure to Operator;
 - 3) Information and data to prospective or actual attorneys engaged by a Secondee, where disclosure of such information and data is essential to such attorneys' work for such Secondee in relation to this Master Secondment Agreement or the Secondee Agreement; or
 - 4) Information and data which, through no fault of a Secondee, is or becomes a part of the public domain.

5.2 Breach of Confidentiality.

Employer acknowledges that any breach of a Secondee's duty of confidentiality under Article 5.1(B) may result in the immediate removal of such Secondee pursuant to Article 6.2(B)(2). In addition, Employer shall indemnify Operator for any costs, excluding Consequential Loss, incurred by Operator pursuant to any breach of confidentiality by Employer under Article 5.1(A), or by Secondee under Article 5.1(B), or by any other person to whom Employer has disclosed such confidential information pursuant to the exceptions provided in Clause 17.2(A) of the UUOA.

5.3 Right of Competition.

The Operator recognizes that after a Secondee has completed a Secondment hereunder, that Secondee may continue working in the oil or natural gas industry and may be involved by the Employer or one of its Affiliates in business activity of a related or similar nature to the work activity that Secondee performed for the Operator during that Secondment, including in the same Secondment Location. The Operator agrees that nothing in this Master Secondment Agreement, or the Secondee Agreement, shall be interpreted to interfere with the ability of a Secondee to continue working in the oil or natural gas industry or preclude or limit any work assignment of a Secondee in the future, so long as that Secondee does not make any unauthorized disclosure of confidential information, as described in Article 5.1(B) above, in the performance of those services.

Article 6: DURATION AND TERMINATION

6.1 Duration of Master Secondment Agreement and the Secondment.

Any Party may terminate this Master Secondment Agreement by notice to the other Party, if:

- (A) There has been a material breach by the other Party of its respective obligations under this Master Secondment Agreement, which has not within a period of thirty (30) Days from the affected Party's notice of such breach been remedied effectively;

- (B) Operator or Employer no longer holds an interest in the UUOA;
- (C) There is a change in legislative or fiscal regime, including the manner in which any Governmental Authority or court interprets such regimes, which in the reasonable opinion of any Party would have a material adverse effect on such Party if performance is continued;
- (D) Subject to Operator's right to assign this Master Secondment Agreement under Article 7.1 below, the Operator ceases to be Operator under UUOA; or
- (E) The UUOA terminates.

The provisions of Articles 4, 5 and 7 shall survive the termination of this Master Secondment Agreement.

6.2 Operator's Right to Terminate the Secondment.

- (A) Operator may terminate a Secondee's Secondment upon thirty (30) Days prior written notice to the Employer:
 - 1) If Employer does not approve a change of Secondment Location or a change of Services of the Secondee pursuant to Article 2.8 of this Master Secondment Agreement;
 - 2) If the Secondee repeatedly fails to comply with Operator's workplace rules, regulations and policies, or the directions given by Operator's management;
 - 3) If the Secondee after receiving notice of unsatisfactory performance fails to perform the Services in a manner that in Operator's reasonable judgment is satisfactory;
 - 4) If an Employer Affiliate, which is the direct employer of the Secondee, ceases to be an Affiliate of Employer;
 - 5) If the Secondee ceases to be an employee of Employer or an employee of an Employer Affiliate (as the case may be);
 - 6) If necessary work permits, visas and any other administrative authorization required to allow the Secondee to work and reside in the Secondment Location are not obtained within a reasonable period of time, or are cancelled or withdrawn; or
 - 7) If the Unit Operating Committee fails to approve the funding for such Secondment.
- (B) Operator may terminate a Secondee's Secondment immediately without notice to Employer:
 - 1) If such Secondee engages in serious misconduct or violates any substantive or material Laws/Regulations, which in Operator's reasonable judgment either:
 - a) significantly impairs such Secondee's ability to perform the Services or to live and work in the Secondment Location; or
 - b) adversely affects Operator's relations with any Governmental Authority; or
 - 2) If such Secondee materially breaches the confidentiality obligations under this Master Secondment Agreement, or if applicable, the Secondee Agreement.
- (C) In the event a party to the UUOA has given a notice of Force Majeure under Clause 18.1 of the UUOA, which, in the reasonable opinion of the Operator, has a material effect on Secondee's Secondment, then Operator may terminate such Secondee's Secondment with immediate effect by giving notice to Employer provided that such notice of termination is served during the Force Majeure period.
- (D) Immediately after any termination without notice, Operator shall notify Employer setting out the reasons for such termination.
- (E) If Secondee's Secondment is terminated by Operator under Article 6.2(A)(6), Article 6.2(A)(7) or 6.2(C) above, Operator shall bear the costs associated with such Secondee's return to his or her Home Location and shall also bear the cost of providing an alternate candidate for the purposes of replacing such Secondee (if any). For the avoidance of doubt such costs shall be charged to the Unit Account in accordance with the terms of the UUOA.

6.3 Employer's Right to Terminate the Secondment.

Each Secondee shall be assigned to Operator for the Secondment Period and Employer will use all reasonable endeavours not to terminate such Secondee's Secondment during the Secondment Period; except that:

- (A) Employer shall have the right to immediately terminate a Secondee's Secondment in case of Force Majeure, or a personal emergency concerning the Secondee or other personal circumstances asserted by the Secondee. Employer shall promptly give notice setting out the general circumstances of such Force Majeure event, personal emergency or personal circumstances;
- (B) Where an Employer Affiliate, which is the direct employer of the Secondee, ceases to be an Affiliate of Employer, Employer shall have the right to terminate such Secondee's Secondment by giving written notice to the Operator provided that such termination shall take effect no less than thirty (30) Days from the date on which such Employer Affiliate ceases to be an Affiliate of Employer, unless otherwise agreed by the parties in writing.
- (C) Subject to Article 2.8(B), Employer may terminate a Secondment on thirty (30) Days prior written notice if Employer disapproves the change of Secondment Location or a change of Services of a Secondee pursuant to Article 2.8 of this Master Secondment Agreement;
- (D) Employer shall have the right to immediately terminate a Secondee's Secondment if such Secondee ceases to be an employee of Employer or an employee of an Employer Affiliate (as the case may be);
- (E) Employer shall have the right to immediately terminate a Secondee's Secondment if the necessary work permits, visas and any other administrative authorization required to allow the Secondee to work and reside in the Secondment Location have not been obtained within a reasonable period of time, or are cancelled or withdrawn and not replaced or renewed within a reasonable period of time;
- (F) Employer shall have the right to immediately terminate a Secondee's Secondment if the Unit Operating Committee fails to approve the funding for such Secondment;
- (G) Employer may terminate a Secondee's Secondment if Employer or an Employer Affiliate (as the case may be) needs such Secondee's services in connection with another project; provided that the Employer shall notify the Operator as soon as reasonably practicable but in any case and unless otherwise agreed by the parties in writing:
 - 1) at least six (6) months in advance of such termination, where Secondee's Secondment Location is outside of the country of such Secondee's Home Location; and
 - 2) at least three (3) months in advance of such termination, where Secondee's Secondment Location is within the country of such Secondee's Home Location;
- (H) In the event a party under the UUOA has given a notice of Force Majeure under Clause 18.1 of the UUOA, which, in the reasonable opinion of the Employer, has a material effect on a Secondee's Secondment, the Employer may terminate such Secondee's Secondment with immediate effect by giving notice to Operator, provided that such notice of termination is served during the Force Majeure period.

For the avoidance of doubt, all costs associated with the termination of a Secondment under this Article 6.3 and, if applicable, a subsequent return to the Home Location by the Secondee shall be paid for by the Operator and charged to the Unit Account, except where such termination occurs under Article 6.3(G) in which case the Employer shall be responsible for the costs of such termination and substitution unless the termination occurs within six (6) months of the agreed end of the terminated Secondee's Secondment Period.

6.4 Secondee's Replacement.

Except as otherwise stated in this Master Secondment Agreement, if Employer or Operator terminates a Secondee's Secondment, the selection of a new Secondee, if any, shall be carried out in accordance with Article 2 above.

Article 7: MISCELLANEOUS

7.1 Assignment.

Neither Party shall assign or otherwise transfer all or any part of this Master Secondment Agreement, nor shall any Party delegate any of its rights or duties hereunder, without the prior written consent of the other Party, and any transfer or delegation made without such consent shall be void, provided that Operator shall be entitled to assign this Master Secondment Agreement without consent of the Employer to any Affiliate, to which it is entitled to assign operatorship under Clause 7.11 of the UUOA, provided that the successor must execute an assumption agreement in a form and substance which is reasonably satisfactory to the Employer by which the successor Operator agrees to be bound by the terms and conditions of this Master Secondment Agreement.

7.2 Captions.

The captions in this Master Secondment Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Master Secondment Agreement.

7.3 Confidentiality.

The existence and terms of this Master Secondment Agreement are confidential and shall not be disclosed by either Party, except such disclosures as permitted under Article 5.1 of this Master Secondment Agreement.

7.4 Counterparts.

This Master Secondment Agreement may be executed in counterparts, and by each Party in separate counterparts, each of which shall be deemed an original instrument, but both such counterparts together shall constitute one agreement.

7.5 Expenses.

Each Party shall pay its own legal fees and other costs and expenses incurred by it in connection with the execution and delivery of this Master Secondment Agreement.

7.6 Governing Law.

This Master Secondment Agreement shall be governed by, construed, interpreted and applied in accordance with the laws of the jurisdiction specified in Clause 20.2 of the UUOA, which laws shall apply by reference to the Master Secondment Agreement.

7.7 Dispute Resolution.

Any dispute arising under this Master Secondment Agreement shall be resolved in accordance with Clause 20.3 of the UUOA, which shall apply by reference to the Master Secondment Agreement.

7.8 No Third Person Beneficiaries.

The Contracts (Rights of Third Parties) Act 1999 (the "Act") shall only apply in respect of any relief from liability, hold harmless, indemnity or benefit expressly granted by Article 4 and, without prejudice to that Article, no Person who is not a Party (a "Third Party") shall otherwise have any right pursuant to the Act to enforce any term of this Master Secondment Agreement. Any rights held by a Third Party hereunder may only be enforced by arbitration in accordance with Article 7.7. The consent of a Third Party shall not be necessary for any revision or variation (including any release or compromise in whole or in part of any liability), novation or termination of this Master Secondment Agreement.

7.9 Notice.

The Notices provisions set forth in Clause 19 of the UUOA shall apply mutatis mutandis to this Master Secondment Agreement.

7.10 Severability.

The invalidity of any one or more provisions of this Master Secondment Agreement will not affect the validity of this Master Secondment Agreement as a whole, and in case of any such invalidity, this Master Secondment Agreement will be construed as if the invalid provision had not been included herein.

7.11 Waivers.

Any failure by either Party to comply with any of its obligations, agreements, or conditions herein contained may only be waived in writing in an instrument specifically identified as a waiver and signed by the Party to whom such compliance is owed. No waiver of, or consent to a change in, any provision of this Master Secondment Agreement shall be deemed or shall constitute a waiver of, or consent to a change in, any other provisions hereof, nor shall such waiver constitute a continuing waiver unless expressly provided in the waiver.

7.12 Conflict.

In the event of any conflict between the provisions of the UUOA, this Master Secondment Agreement, and if applicable a Seconded Agreement, the provisions of the UUOA shall prevail over the provisions of this Master Secondment Agreement (except as otherwise expressly provided in the UUOA) and if applicable the Seconded Agreement, and the provisions of this Master Secondment Agreement shall prevail over the provisions of the Seconded Agreement, if applicable.

7.13 Entire Agreement.

This Master Secondment Agreement, including any attachments, constitutes the entire agreement between the Parties pertaining to the subject matter hereof, supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties with respect thereto, and may not be amended or modified except by a written instrument signed by both Parties expressly identifying it as an amendment or modification hereof.

[Signature Page(s) to Follow]

IN WITNESS of their agreement, the Parties have caused their respective duly authorized representatives to execute this Master Secondment Agreement on the date first written above.

Operator:

Tullow Ghana Limited

By: Peter Sloan *Chris White*
Name: PETER SLOAN *Asst. Secy. & CFO*
Title: GROUP LEGAL MANAGER *Senior Legal Counsel*

Employer:

Kosmos Energy Ghana HC

By: [Signature]
Name: Audrey Morkman
Title: Asset Manager

**Attachment A to the Master Secondment Agreement
SECONDEE'S SPECIFICATIONS**

Executed this _____ day of _____.

Name

The Secondee shall be _____

Employer of Secondee _____

Qualifications

The Secondee shall have the following qualifications and experience:

Position

The Secondee shall have the position of _____ in Operator's organization which [shall/shall not] constitute a Senior Supervisory Personnel position as defined in the UJCA, and shall report to the _____ in Operator's organization.

Services

Secondee shall have and perform the following duties and authorities ("*Services*"):

[job description and specifications]

Secondment Location and Duration

Secondee's Home Location shall be _____

The Secondee shall work in Operator's offices in _____ ("*Secondment Location*") commencing on _____ and ending on _____ ("*Secondment Period*").

Monthly Rate

Employer will charge Operator US\$ _____ for each Month of the Secondee's Secondment ("*Monthly Rate*").

Operator:

Employer:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Attachment B to the Master Secondment Agreement

FORM OF SECONDEE AGREEMENT

[NOTE: PLEASE INCLUDE EMPLOYER AFFILIATE WHERE AN EMPLOYER AFFILIATE (RATHER THAN THE EMPLOYER) IS THE DIRECT EMPLOYER OF SECONDEE. IF THE EMPLOYER IS THE DIRECT EMPLOYER OF SECONDEE, DELETE ALL REFERENCES TO EMPLOYER AFFILIATE IN THIS DOCUMENT.]

THIS SECONDEE AGREEMENT (the "*Secundee Agreement*") executed this _____ day of _____ between _____ ("*Operator*") and _____ ("*Employer*"), [_____ ("*Employer Affiliate*")] and _____ ("*Secundee*") is entered into effective as of _____ (the "*Effective Date*") (Operator, Employer, [Employer Affiliate] and Secundee are sometimes referred to collectively as the "*Parties*" and individually as a "*Party*") and is premised on the fact that:

WHEREAS:

- (A) Operator and Employer have entered into that certain Master Secondment Agreement dated _____, 2009 (the "*Master Secondment Agreement*"), which, among other things, governs the relationship between Employer and Operator with respect to this Secondment; and
- (B) Pursuant to the Unitization and Unit Operating Agreement covering the Jubilee Field Unit located offshore in the Republic of Ghana among Operator, Employer and others, dated _____, 2009 (the "*U/OA*"), Employer may, as the result of Operator's request or Employer's proposal, second (or cause its Affiliates to second) in accordance with the Master Secondment Agreement its employees to fill certain positions in Operator's organization for conduct of operations.

In consideration of the premises set out above, and the provisions set out below, the Parties agree as follows:

SECTION 1: TERMS

1.1 Secundment.

The Secundee shall:

- (A) have the position of _____ in Operator's organization;
- (B) provide _____ services in relation to such position ("*Services*");
- (C) perform such Services in _____ (the "*Secondment Location*");
- (D) accept that the Secondment shall be for a period commencing on _____ and ending on _____ (the "*Secondment Period*") unless such Secondment Period is extended or terminated; and
- (E) report to the [position] in Operator's organization.

1.2 Conduct.

- (A) Secundee shall be integrated into Operator's organization for the Secondment Period and shall comply with:
 - 1) All applicable rules, regulations, policies and other practices established by Operator for its employees;
 - 2) Laws and regulations applicable to the Services and this Secundee Agreement; and
 - 3) Instructions and directions of Operator with respect to the performance of the Services and actions taken on Operator's behalf provided that such instructions and directions are compliant with applicable rules, regulations, policies and other practices established by Operator.
- (B) Secundee shall perform the Services contemplated by this Secundee Agreement with due diligence and in a good, competent, professional and safe manner in accordance with applicable laws and regulations, the standards and practices of the international petroleum industry, and the supervision and control of the Operator.

1.3 Status of Secundee.

Seconded acknowledges that:

- (A) Seconded is and shall continue to be an employee of [Employer/Employer Affiliate] and not of the Operator for all purposes, and shall remain on [Employer's/Employer Affiliate's] payroll. As an employee of [Employer/Employer Affiliate], any employment benefits that he or she is entitled to during Secondment including, but not limited to, all forms of remuneration, promotion, provision of benefits and career planning, will be provided to him or her by [Employer/Employer Affiliate] and he or she will be limited to those benefits offered to employees by [Employer/Employer Affiliate] and to which he or she is eligible under [Employer's /Employer Affiliate's] benefit plans and policies;
- (B) For the avoidance of doubt, Seconded shall not be entitled to or eligible for any employment benefits including, but not limited to, all forms of remuneration, provision of benefits which are provided by the Operator or any of its partners or affiliates to its or their employees, directors or contractors;
- (C) [In the event the Seconded suffers or incurs a job-related injury during his or her Secondment, workers' compensation insurance coverage will be provided to him or her by [Employer/Employer Affiliate], such workers' compensation insurance will extend to and cover such on-the-job injury or injuries incurred during the Secondment, and that such workers' compensation will be his or her exclusive remedy against Employer, [Employer Affiliate], Operator, or the partners or affiliates of Operator or Employer [or Employer Affiliate] for any such work-related injuries during the Secondment.] *[NOTE: OPTIONAL. SUBJECT TO EMPLOYER'S DISCRETION]*
- (D) As an employee of [Employer/Employer Affiliate], Seconded will take no action on behalf of Operator or its Affiliate(s) except as may be specifically authorized in writing by Operator;
- (E) Operator shall have the right to specify the scope and nature of Seconded's work and the results to be achieved, and to direct Seconded in the performance of the Services throughout the Secondment Period;
- (F) Seconded shall have no authority to make any statement, representation, or commitment of any kind or to take any action that shall be binding upon Operator, except as may be specifically authorized in writing by Operator;
- (G) Seconded's Secondment is a temporary secondment and, subject to the terms of this Agreement, is anticipated to continue until the end of the Secondment Period; and
- (H) Operator shall have no authority to terminate employment or to administer disciplinary action with respect to Seconded. Only the Employer [or Employer Affiliate] shall have authority to discipline Seconded. For the avoidance of doubt, the terms of this Section 1.3(H) shall be without prejudice to Operator's right to terminate Seconded's Secondment as provided in Section 3 of this Seconded Agreement.

1.4 Change of Location or Services.

Subject to Seconded's agreement, Seconded's Secondment Location and scope of the Services to be rendered under this Seconded Agreement may be changed from time to time.

SECTION 2: CONFIDENTIALITY AND WAIVER

2.1 Confidential Information.

- (A) Seconded acknowledges that all information and data obtained by Seconded in the performance of this Seconded Agreement is the property of the Operator and/or the Parties to the UUOA, or of the Government of the Republic of Ghana.
- (B) Seconded shall hold all such data and information strictly confidential, and without the prior written consent of Operator shall not disclose any such information or data to anyone, except disclosure of:
 - 1) Information and data with respect to Unit Operations to Employer, or any other Party to the UUOA which is not in default of the UUOA;
 - 2) Information and data to the extent required to be furnished in compliance with the applicable law or regulations, or pursuant to any legal proceedings or because of any order of any court binding upon Seconded; provided that, where reasonably possible, prior to any such disclosure the Seconded provides reasonable advance notice of the disclosure and the legal reasons for such disclosure to Operator;

- 3) Information and data to its attorneys engaged by Seconded, where disclosure of such information and data is essential to such attorneys' work for Seconded in relation to this Seconded Agreement; or
 - 4) Information and data which, through no fault of Seconded, is or becomes a part of the public domain.
- (C) Seconded further acknowledges that certain information made available to such Seconded during his or her Secondment may include data covered by the Export Administration Regulations of the United States Government (the "*Regulations*"). In accordance with these Regulations, the Seconded acknowledges that neither the unpublished technical data disclosed to him or her during his or her Secondment nor the direct product thereof, may be shipped, directly or indirectly, to any of the countries to which export is prohibited under the Regulations.
- (D) Seconded further acknowledges that the existence and terms of this Seconded Agreement are confidential on the terms set forth above in this Section.
- (E) Seconded acknowledges that any breach of the duty of confidentiality may result in Seconded's immediate removal pursuant to Section 3.2(K). Seconded further acknowledges that because monetary damages may not be an adequate remedy for breach of the duty of confidentiality, Seconded specifically agrees that Operator is entitled to enforce the duty of confidentiality by obtaining injunctive or other equitable relief.

2.2 Competitive Advantage.

Seconded acknowledges that the international oil and gas business is highly competitive. Seconded also acknowledges that the information which Seconded obtains about Operator's strategies, methods, and business relationships comprises confidential business information which enables Operator to obtain a competitive advantage, and that maintaining confidentiality of such business information is of critical importance to Operator in maintaining its competitive position. Seconded covenants not to use such information in a manner that Seconded knows, or reasonably should know, may be prejudicial to the interests of Operator or its Affiliates, particularly in Ghana, during the term of this Seconded Agreement, and not to communicate to Employer [or Employer Affiliate] any specific business opportunities unrelated to the UJOA of which Seconded becomes aware from Operator or its Affiliates in the course of performing this Seconded Agreement; provided that nothing in this Section 2.2 shall prevent Seconded from communicating with Employer and its Affiliates concerning information relating to operations under the UJOA, so long as Employer is not in default under the UJOA. Seconded acknowledges that Seconded shall not have any interest in any granting instrument or other contract which Operator or its Affiliates may obtain as a direct or indirect result of Seconded's efforts. Seconded acknowledges that the restrictions set out above may limit his or her ability to engage in businesses similar to Operator's and its Affiliates' during the term of this Seconded Agreement.

SECTION 3: DURATION

3.1 Term.

This Seconded Agreement shall come into effect on the Effective Date and shall continue to be in full force and effect until expiration of the Secondment Period unless it is terminated earlier in accordance with Section 3.2 below.

3.2 Termination.

The Seconded hereby acknowledges that this Seconded Agreement may be terminated by either the Operator or the Employer for the following reasons:

- (A) a termination of the Master Secondment Agreement;
- (B) the Seconded ceasing to be the employee of [Employer/Employer Affiliate];
- (C) [Employer Affiliate ceasing to be an Affiliate of the Employer;]
- (D) Employer ceasing to hold an interest in the UJOA;
- (E) If necessary work permits, visas and any other administrative authorization required to allow the Seconded to work and reside in the Secondment Location are not obtained within a reasonable period of time, or are cancelled or withdrawn;
- (F) If the Unit Operating Committee fails to approve the funding for such Secondment;

- (G) If Employer [or Employer Affiliate] needs the Seconddee's services in connection with another project;
- (H) Seconddee's repeated failure to comply with Operator's workplace rules, regulations and policies, or the directions given by Operator's management;
- (I) Seconddee's failure, after receiving notice of unsatisfactory performance, to perform the Services in a manner that in Operator's reasonable judgment is satisfactory;
- (J) Seconddee's engagement in serious misconduct or violation of any substantive or material laws, which in Operator's reasonable judgment significantly either: (a) impairs such Seconddee's ability to perform the Services or to live and work in the Secondment Location; or (b) adversely affect Operator's relations with any Governmental Authority;
- (K) Seconddee's material breach of the confidentiality obligations set out in Section 2 of this Seconddee Agreement; or
- (L) In the event of a Force Majeure under the UUOA.

3.3 Survival.

The provisions of Sections 2 and 4 shall survive the termination of this Seconddee Agreement.

SECTION 4: MISCELLANEOUS

4.1 Assignment.

Neither the Operator nor the Employer shall have the right to assign or otherwise transfer all or any part of this Seconddee Agreement without the corresponding assignment or transfer of the Master Secondment Agreement.

[Neither Employer Affiliate nor] Seconddee shall not assign or otherwise transfer all or any part of this Seconddee Agreement nor shall Seconddee delegate any of his or her rights or duties under this Seconddee Agreement, without the prior written consent of the Operator and the Employer, and any transfer or delegation made without such consent shall be void.

4.2 Governing Law and Dispute Resolution.

This Seconddee Agreement shall be governed by, construed, interpreted and applied in accordance with the laws of [NOTE: TO BE INSERTED AS APPROPRIATE], excluding any choice of law rules, which would refer the matter to the laws of another jurisdiction and the courts of [NOTE: TO BE INSERTED AS APPROPRIATE] shall have jurisdiction to hear all disputes that cannot be amicably settled between the Parties.

4.3 Notice.

Any notice to be given in relation to this Seconddee Agreement shall be in writing and delivered either by mail, courier or fax (but not e-mail) and addressed to the following addresses:

<p>OPERATOR</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>EMPLOYER</p> <p>_____</p> <p>_____</p> <p>_____</p>
<p>[EMPLOYER AFFILIATE]</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>SECONDEE</p> <p>_____</p> <p>_____</p> <p>_____</p>

4.4 Effect of invalidity of certain provisions.

The invalidity of any one or more provisions of this Seconded Agreement will not affect the validity of this Seconded Agreement as a whole, and in case of any such invalidity, this Seconded Agreement will be construed as if the invalid provision had not been included herein.

4.5 Conflict.

With respect to the rights and obligations between Seconded, and {Employer/Employer Affiliate}, in the event of any conflict between Seconded's employment arrangement with [Employer/Employer Affiliate] and this Seconded Agreement, the provisions of this Seconded Agreement shall prevail over the provisions of such employment arrangement.

With respect to the rights and obligations between Employer[, Employer Affiliate] and Operator, in the event of any conflict between the provisions of Clause 7.3 of the UOEA, the Master Secondment Agreement and this Seconded Agreement, the provisions of Clause 7.3 of the UOEA shall prevail over the provisions of the Master Secondment Agreement and this Seconded Agreement, and the provisions of the Master Secondment Agreement shall prevail over the provisions of this Seconded Agreement.

4.6 Entire Agreement.

This Seconded Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof, supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written, of the Parties with respect thereto, and may not be amended or modified except by a written instrument signed by all Parties expressly identifying it as an amendment or modification hereof.

IN WITNESS of their agreement, the Parties have caused this Seconded Agreement to be executed.

Operator:

By: _____

Name: _____

Title: _____

Employer:

By:

Name:

Title: _____

[Employer Affiliate:

By: _____

Name: _____

Title: _____]

Seconded

I HEREBY CERTIFY THAT I HAVE CAREFULLY READ, FULLY UNDERSTAND AND VOLUNTARILY SIGN THIS SECONDED AGREEMENT, AND UNDERSTAND COMPLETELY ALL THE TERMS USED AND THEIR SIGNIFICANCE. I ALSO CONFIRM THAT I WAS GIVEN AN OPPORTUNITY TO SEEK COUNSEL AND GUIDANCE AS NECESSARY REGARDING THE APPLICATION OF THE PRINCIPLES AND EXPECTATIONS SET FORTH IN THIS SECONDED AGREEMENT

By: _____

Name: _____

Title: _____

MASTER SECONDMENT AGREEMENT

Kosmos Energy Ghana HC (1)

Tullow Ghana Limited (2)

HC003:1196030

Master Secondment Agreement, Tullow to Kosmos

MASTER SECONDMENT AGREEMENT

TABLE OF CONTENTS

ARTICLE 1: DEFINITIONS AND REFERENCES	1
1.1 Definitions.....	1
1.2 References.....	2
ARTICLE 2: TERMS OF SECONDMENT	2
2.1 Secondment.....	2
2.2 Conduct.....	3
2.3 Status of Employer, Employer Affiliate and Seconded.....	3
2.4 Permits.....	4
2.5 Operator's Assistance.....	4
2.6 Employer's Assistance.....	4
2.7 Specific Secondment Location provisions.....	5
2.8 Change of Location or Services.....	5
2.9 Temporary Return.....	5
2.10 Vacation.....	5
2.11 Restriction on Solicitation.....	5
2.12 Requests for Information.....	5
ARTICLE 3: COSTS	6
3.1 Responsibilities of Employer.....	6
3.2 Monthly Charge.....	6
3.3 Relocation Costs.....	6
3.4 Procedure.....	7
3.5 Past Due Amounts.....	7
ARTICLE 4: LIABILITY AND INDEMNITY	7
4.1 Liability and Indemnity.....	7
4.2 Notice of Claim and Opportunity to Defend.....	7
4.3 Limitation of Liability.....	7
4.4 Scope and Cost of Indemnities.....	7
4.5 Employer's Liability Insurance.....	8
ARTICLE 5: CONFIDENTIALITY AND COMPETITION	8
5.1 Confidential Information.....	8
5.2 Breach of Confidentiality.....	8
5.3 Right of Competition.....	8
ARTICLE 6: DURATION AND TERMINATION	8
6.1 Duration of Master Secondment Agreement and the Secondment.....	8
6.2 Operator's Right to Terminate the Secondment.....	9

6.3	Employer’s Right to Terminate the Secondment.	10
6.4	Seconded’s Replacement.	10
ARTICLE 7: MISCELLANEOUS		11
7.1	Assignment.	11
7.2	Captions.	11
7.3	Confidentiality.	11
7.4	Counterparts.	11
7.5	Expenses.	11
7.6	Governing Law.	11
7.7	Dispute Resolution.	11
7.8	No Third Person Beneficiaries.	11
7.9	Notice.	11
7.10	Severability.	11
7.11	Waivers.	12
7.12	Conflict.	12
7.13	Entire Agreement.	12

THIS MASTER SECONDMENT AGREEMENT (hereinafter referred to as the "Master Secondment Agreement") is made on 13 JULY, 2009,

BETWEEN:

- (1) Kosmos Energy Ghana HC, a company existing under the laws of the Cayman Islands ("*Operator*"), and
- (2) Tullow Ghana Limited, a company existing under the laws of Jersey, Channel Islands ("*Employer*")

Operator and Employer are sometimes referred to collectively as the "*Parties*" and individually as a "*Party*"

WHEREAS:

- (A) Operator and Employer each hold an undivided share of the rights of "Contractor" under:
 - (1) The Petroleum Agreement for the Deepwater Tano Contract Area dated March 10, 2006; and
 - (2) The Petroleum Agreement for the West Cape Three Points Contract Area dated July 22, 2004.
- (B) Pursuant to the Unitization and Unit Operating Agreement covering the Jubilee Field Unit located offshore in the Republic of Ghana among Operator, Employer and others, dated 13 JULY, 2009 (the "*UUOA*") Employer may from time to time second (or cause its Affiliates to second) qualified personnel to fill certain positions in Operator's organization for the conduct of Unit Operations, and the Operator shall accept such secondments for the provision of services relating to Unit Operations, all in accordance with the terms of this Master Secondment Agreement.

In consideration of the premises set out above, and the provisions set out below, the Parties agree as follows:

Article 1: DEFINITIONS AND REFERENCES

1.1 Definitions.

Capitalized terms used in this Master Secondment Agreement and not otherwise defined herein shall have the meaning given to such terms in the UUOA.

- (A) "*Employer Affiliate*" means an Affiliate of the Employer which is the direct employer of a Secondee seconded under the terms of this Agreement.
- (B) "*Home Location*" means, with respect to each Secondee, the location specified in the Secondee's Specifications which will generally be (a) the Secondee's last place of primary residence; (b) the location where the Secondee was hired or was working immediately prior to transfer to the Secondment Location; or (c) the Secondee's country of citizenship where family or other ties can be demonstrated.
- (C) "*Monthly Charge*" shall have the meaning set out in Article 3.2.
- (D) "*Monthly Rate*" means, with respect to each Secondee, the rate agreed in the Secondee's Specifications to apply for each month of Secondee's Secondment which will be based on the actual documented costs and expenses incurred by Employer (directly or through an Employer Affiliate) with respect to such Secondee's employment with Employer (or with an Employer Affiliate) and shall reflect, *inter alia*, the cost of salary and other compensation, employer's liability insurance, employment related taxes and fees.
- (E) "*Secondee*" means any employee of Employer (or an Employer Affiliate) seconded to Operator in accordance with the terms of this Master Secondment Agreement.
- (F) "*Secondee Agreement*" means an agreement to be entered into between Operator, Employer, an Employer Affiliate (if such Employer Affiliate is the employer of the Secondee) and a Secondee in a format substantially similar to the form provided in Attachment B to this Master Secondment Agreement.
- (G) "*Secondee's Specifications*" means, with respect to each Secondee, a document to be executed between the Parties in a format substantially similar to the form provided in Attachment A to this Master Secondment Agreement, which sets out the main specifications of such Secondee's Secondment and the Monthly Rate to be charged for such Secondee's Services.

- (I) **"Secondment"** means Employer's (or an Employer Affiliate's) secondment of a Secondee to Operator's organisation to perform the Services at the Secondment Location.
- (J) **"Secondment Location"** means, with respect to each Secondee, the location specified in the Secondee's Specifications and Secondee Agreement, where such Secondee shall perform the Services.
- (J) **"Secondment Location Addendum"** means a document, which the Parties may execute after the date hereof pursuant to the provisions of Article 2.7, setting out the support arrangements which shall apply to a specific Secondment Location.
- (K) **"Secondment Period"** means, with respect to each Secondee, the period specified in the Secondee's Specifications and Secondee Agreement, during which such Secondee shall perform the Services provided that, unless otherwise agreed between the Parties in writing, the following shall apply:
 - a) where Secondee's Secondment Location is within the country of such Secondee's Home Location, the Secondment Period shall be no less than twelve (12) Months; and
 - b) where Secondee's Secondment Location is outside of the country of such Secondee's Home Location, the Secondment Period shall be no less than twenty four (24) Months.
- (L) **"Services"** means, with respect to each Secondee, the duties and authorities described in the Secondee's Specifications, to be performed by such Secondee to support Operator in the performance of Unit Operations under the UUOA.
- (M) **"Third Party"** shall have the meaning set out in Article 7.8.

1.2 References.

Unless expressly provided to the contrary, in this Master Secondment Agreement:

- (A) Reference to any gender includes a reference to both genders;
- (B) Reference to the singular includes the plural, and vice versa;
- (C) Reference to any Article means an Article of this Master Secondment Agreement;
- (D) Reference to any Clause means a Clause of the UUOA;
- (E) Reference to any Attachment means an Attachment to this Master Secondment Agreement, all of which are incorporated into and made a part of this Master Secondment Agreement;
- (F) "hereunder", "hereof", "herein", and words of similar import are references to this Master Secondment Agreement as a whole and not any particular Article or other provision of this Master Secondment Agreement;
- (G) "include" and "including" shall mean include or including without limiting the generality of the description preceding such term and are used in an illustrative sense and not a limiting sense; and
- (H) Reference to a Secondee includes dependents of such Secondee where applicable.

Article 2: TERMS OF SECONDMENT

2.1 Secondment.

- (A) At any time during the term of this Master Secondment Agreement, Employer may provide (or cause its Employer Affiliate to provide) a Secondee to Operator pursuant to and in accordance with the terms of Clause 7.3 of the UUOA and this Master Secondment Agreement.
- (B) Prior to commencement of any Secondment, Operator and Employer shall agree and execute Secondee's Specifications setting out the main terms of the Secondment with respect to such Secondee. No change to the terms of a Secondee's Specifications shall become effective unless and until such change is mutually agreed by Operator and Employer.
- (C) Employer represents that each Secondee is an employee of Employer or an Employer Affiliate and has the qualifications and experience necessary to perform the Services as summarised in the applicable Secondee Specifications.

- (D) Employer shall assign (or cause its Employer Affiliate to assign) each Secondee to perform the Services at the relevant Secondment Location for the Secondment Period, and to report to Operator in accordance with the terms of this Master Secondment Agreement and the Secondee Agreement.
- (E) Operator shall designate each Secondee to fill the position agreed in such Secondee's Specifications within Operator's organization, integrate each Secondee into Operator's organization for the purposes of this Master Secondment Agreement, and authorize each Secondee to perform the Services at the Secondment Location for the Secondment Period in accordance with this Master Secondment Agreement.
- (F) Subject to Article 2.1(B) above, Operator shall have the right to specify the scope and nature of each Secondee's Services and the results to be achieved, and to direct each Secondee in the performance of such Services.
- (G) Prior to commencement of each Secondment of a Secondee, Operator, Employer, an Employer Affiliate (if such Employer Affiliate is the employer of the Secondee) and the Secondee shall enter into a Secondee Agreement.

2.2 Conduct.

- (A) Each Secondee shall be integrated into Operator's organization for the Secondment Period and consequently shall be subject to:
 - 1) The supervision and control of the Operator;
 - 2) All applicable rules, regulations, policies and other practices established by Operator for its employees;
 - 3) Laws/Regulations applicable to the Unit Operations; and
 - 4) Instructions and directions of Operator with respect to the performance of Services and actions taken on Operator's behalf and pursuant to Article 2.2(A)(1).
- (B) Employer shall use (or shall cause its Employer Affiliate to use) all reasonable efforts to ensure that:
 - 1) Each Secondee complies with the provisions of Article 2.2(A); and
 - 2) Each Secondee shall perform the Services contemplated by this Master Secondment Agreement, and if applicable the Secondee Agreement, with due diligence and in a good, competent, professional and safe manner in accordance with applicable Laws/Regulations, standards and practices of the international petroleum industry, and the supervision and control of the Operator.

2.3 Status of Employer, Employer Affiliate and Secondee.

- (A) Employer and each Employer Affiliate shall be an independent contractor engaged by Operator to make each Secondee available for the purposes of this Master Secondment Agreement, and neither Employer nor any Employer Affiliate (as the case may be) shall be, or shall be deemed to be, an agent, servant or employee of Operator.
- (B) Notwithstanding that, for the duration of the Secondment Period, Operator shall have the right to exercise supervision and control over each Secondee, each Secondee shall continue to be an employee of Employer or an Employer Affiliate (as the case may be) for all purposes, including performance management, remuneration, employee benefits, promotion and career planning, and shall not be a servant or employee of Operator. A Secondee shall not be nor be deemed to be an agent, servant or employee of Operator.
- (C) For the avoidance of doubt, Operator shall have no authority to terminate employment or to administer disciplinary action with respect to a Secondee, except to terminate the Secondment pursuant to Article 6 below. Only the Employer (directly or through its Employer Affiliate) shall have authority to discipline a Secondee.
- (D) For the avoidance of doubt, Operator shall have no authority to make any direct payments in any form (including remuneration, benefits or promotions) to a Secondee with respect to such Secondee's performance of the Services except as may be otherwise agreed by the Parties.

2.4 Permits.

Employer shall be responsible for obtaining any work permits, visas and any other administrative authorizations required to allow each Secondee, and if applicable his or her dependents, to work and reside in the Secondment Location for the Secondment Period. Operator shall provide any assistance reasonably requested by Employer in connection with obtaining such permits, visas and authorizations.

2.5 Operator's Assistance.

- (A) Operator shall provide the following items and services to each Secondee to the same extent that Operator provides such items and services to Operator's managerial and technical staff and their dependents in the Secondment Location:
- 1) Facilities and equipment with which to perform the Services;
 - 2) Security, safety and first aid services and facilities, if needed; and
 - 3) Upon Secondment of each Secondee pursuant to this Master Secondment Agreement, a copy of all applicable rules, regulations, policies and other practices referred to in Article 2.2(A)(2) established by Operator for its employees that will be applicable to such Secondee and any revisions thereto.
- (B) In addition, subject to Article 2.7 (if applicable), with respect to each Secondee's Secondment Location, Operator shall provide to such Secondee, or reimburse the Employer for the following items and services provided by the Employer (either directly or through an Employer Affiliate) to such Secondee, and his or her dependants in the Secondment Location:
- 1) Transportation and accommodation to, from and within the Secondment Location to the same extent that Operator provides such items and services to Operator's staff taking into account the position of the Secondee;
 - 2) Meals, other items and services, and living expenses in the Secondment Location to the same extent Employer provides, or would provide (either directly or through an Employer Affiliate), such items and services to Employer's (or its Employer Affiliate's) staff in the Secondment Location taking into account the position of the Secondee;
 - 3) Taxes, social security, duties and any similar charges levied on and paid by or on behalf of the Secondee in the Secondment Location, including income, sales, excise, value added, property and other taxes and import/export duties to the same extent Employer provides, or would provide (either directly or through an Employer Affiliate), such items and services to Employer's (or its Employer Affiliate's) staff in the Secondment Location taking into account the position of the Secondee including the effect of any benefit flowing to the Employer, an Employer Affiliate (where applicable) or Secondee from foreign tax credits received by the Employer, an Employer Affiliate (where applicable) or Secondee in the Secondee's Home Location for taxes and duties levied in the Secondment Location; and
 - 4) Emergency evacuation in case of an emergency or life-threatening medical condition (in the absence of adequate medical facilities to handle such a case).

For the avoidance of doubt, all costs and expenses associated with items and services provided by Operator pursuant to this Article 2.5 shall be chargeable to the Unit Account and treated in accordance with the terms of the UIUA.

2.6 Employer's Assistance.

Subject to Article 2.7 (if applicable) and to the extent not provided by Operator under Article 2.5 above, Employer shall provide (either directly or through an Employer Affiliate) to the Secondee and its dependants in the Secondment Location the following items and services:

- (A) Transportation and accommodation to, from and within the Secondment Location;
- (B) Meals, other items and services, and living expenses in the Secondment Location;
- (C) Taxes, social security, duties and any similar charges levied on and paid for by or on behalf of the Secondee in the Secondment Location, including without limitation income, sales, excise, value added, property and other taxes and import/export duties; and

- (D) Emergency evacuation in case of an emergency or life-threatening medical condition (in the absence of adequate medical facilities to handle such a case).

For the avoidance of doubt all costs and expenses associated with items and services provided by Employer (either directly or through an Employer Affiliate) pursuant to this Article 2.6 shall be chargeable to the Operator and subsequently charged to the Unit Account and treated in accordance with the terms of the UOOA.

2.7 Specific Secondment Location provisions.

At any time after the date hereof, but prior to Employer's agreement to provide (or cause to provide through its Employer Affiliate) Secondees to a particular Secondment Location, should a Party wish to enter into specific support arrangements with respect to such Secondment Location the Parties may agree and enter into one or more Secondment Location Addenda, the terms of which may be amended from time to time by mutual agreement of the Parties. For the avoidance of doubt, unless the Parties enter into a separate Secondment Location Addendum, the terms of Secondment to a Secondment Location shall be governed by the terms of this Agreement.

2.8 Change of Location or Services.

- (A) If Operator, in the exercise of its reasonable judgment, determines with respect to any Secondee that:
- 1) A change of the Secondment Location is necessary, Operator shall promptly so notify Employer in writing specifying the effective date of such proposed change, and shall request Employer to approve the transfer of the Secondee to the new Secondment Location; or
 - 2) A material change of Services is necessary due to the evolution of Unit Operations, Operator shall promptly so notify Employer in writing specifying the details of such proposed change and the proposed effective date of such change, and shall request Employer to approve the change of Services.
- (B) If Operator makes a determination as described in Article 2.8(A), Employer shall not unreasonably withhold its approval.
- (C) For the avoidance of doubt, where the Employer does not agree to the change of Secondment Location as provided for in this Master Secondment Agreement, such Employer may terminate Secondee's Secondment in accordance with the terms of Article 6.3(C) below and shall not be obligated to provide an alternative Secondee to the Operator.

2.9 Temporary Return.

Employer shall be entitled to require the return of a Secondee from time to time for periods of short duration for administrative or training purposes, subject to Operator's consent as to the timing of such return, which consent shall not be unreasonably withheld. Any travel costs associated with such temporary return shall be reflected in Employer's charges to Operator as provided for in Article 3.2.

2.10 Vacation.

Each Secondee is entitled to a vacation according to the personnel policies of Employer. Vacation may only be taken after consultation with Operator and is subject to Operator's reasonable operational requirements. Operator shall notify Employer annually of all vacation that a Secondee takes in accordance with the Employer's personnel policies. For the avoidance of doubt, all travel costs associated with such vacation and which are in accordance with personnel policies of Employer shall be reflected in Employer's charges to Operator as provided for in Article 3.2.

2.11 Restriction on Solicitation.

Operator may neither solicit nor hire a Secondee for a period of twenty-four (24) months after the term of Secondee's Secondment under this Master Secondment Agreement ended or terminated without obtaining the prior written consent of Employer.

2.12 Requests for Information.

- (A) If requested by Employer, Operator shall provide Employer with a summary of work accomplishments and a performance appraisal for each Secondee in the format that Operator uses to assess its employees.
- (B) If requested by Employer, Operator shall provide to Employer an annual report scheduling the amount and type of each payment or benefit that Operator provided to or on behalf of each Secondee.

- (C) If requested by Operator, Employer shall provide (or cause its Employer Affiliate to provide) Operator with reasonable details of each Seconded's payroll and other compensation to facilitate budgeting, tax compliance and invoice processing.
- (D) The Parties shall endeavour to provide each other with such other information or assistance as is reasonably required in connection with this Master Secondment Agreement or any claim by a Seconded against either Party.

Article 3: COSTS

3.1 Responsibilities of Employer.

Unless otherwise agreed between Employer and Operator in a Secondment Location Addendum applicable to a specific Secondment Location (if any), Employer, acting in compliance with Employer's personnel policies, shall continue to be responsible (either directly or through an Employer Affiliate) for and shall bear and pay (and Operator shall not be responsible for the delivery of):

- (A) Each Seconded's base salary and other compensation in any form, including all customary allowances, entitlements and benefits, earned by such Seconded during its employment with the Employer (or Employer Affiliate, if applicable) while on Secondment to the Operator's organization;
- (B) Health insurance, pension plan, defined contribution plan, profit sharing or stock option plan, or any other employment-related contributions for the benefit of each Seconded as an employee, whether statutory or otherwise;
- (C) Employer's (or an Employer Affiliate's, if applicable) liability insurance, including insurance against claims for compensation by third parties, and all obligations arising under applicable workers' compensation laws in respect of each Seconded to the extent normally extended by Employer (or an Employer Affiliate, if applicable) to its Home Location employees. Notwithstanding anything to the contrary in this Article 3.1(C), Operator shall provide any statutory insurance or benefits which are required under labour or social agreements in the Secondment Location to the same extent Operator provides, or would provide, such items to Operator's employees in the Secondment Location;
- (D) Home expenses with respect to the Seconded's residence in the Home Location which shall include Seconded's home sale expenses, property management and maintenance expenses;
- (E) Taxes in the Home Location of each Seconded while in the Secondment Location, which shall include payroll taxes, withholding taxes or any other form of cost or charge assessed in respect of the employment of each Seconded; and
- (F) Any other direct costs, charges or expenses assessed against an Employer (either directly or through an Employer Affiliate) under any applicable Laws/Regulations in relation to the employment of persons such as a Seconded.

3.2 Monthly Charge.

With respect to each Secondment, Employer shall charge Operator, on a monthly basis: (a) the Monthly Rate for each month during such Secondment; (b) any other costs and expenses that are incurred by Employer (either directly or through an Employer Affiliate) under the terms of this Master Secondment Agreement and any other items which may be incurred by Employer (either directly or through an Employer Affiliate) under the terms of the applicable Secondment Location Addendum (if any) that are attributable to each Seconded during the Secondment Period and that would be chargeable to the Unit Account under the Unit Accounting Procedure of the UUOA for an employee of Operator; and (c) all administrative costs and expenses and other indirect charges that are directly attributable or fairly allocated to the Secondment of each Seconded (collectively, the "Monthly Charge").

3.3 Relocation Costs.

In addition to the Monthly Charge, Employer shall, according to the personnel policies of Employer and to the extent chargeable to the Unit Account under the UUOA, charge the Operator for the actual documented costs incurred by Employer (either directly or through an Employer Affiliate) for relocation of each Seconded from his or her Home Location to the Secondment Location and return, which may include the following:

- (A) Transportation and travel expense;

- (B) Initial or temporary accommodation, meal and any other arrival expenses for up to a maximum of three (3) months;
- (C) Resettlement allowance;
- (D) Home sale assistance (which will include costs and expenses associated with Employer's (or an Employer Affiliate's, if applicable) assistance (acting in accordance with the personnel policies of Employer) to the Secondee with the sale of such Secondee's permanent accommodation in the Home Location);
- (E) Relocation agency costs; and
- (F) Air and sea freight and insurance charges;

3.4 Procedure.

- (A) Within fifteen (15) Days after the end of each Calendar Month, Employer shall invoice the Operator for the Monthly Charge for such month and for reimbursement of the costs referred to in Article 3.3 above. Each invoice shall be itemized by Secondee. Within fifteen (15) Days of the receipt of the invoice, Operator shall pay the amount of each invoice to Employer in U.S. Dollars by wire transfer of immediately available funds to the bank and account designated on the invoice.
- (B) Operator shall pay all amounts invoiced in full, whether or not disputed, and waives any right of set off, provided that Operator's payment of any charge shall be without prejudice to its right to later contest the charges. If Operator disputes all or any portion of an invoice, Operator and Employer shall confer as soon as practicable to resolve the dispute. If the dispute is resolved by Employer and Operator, or by the process of Clause 20.3 of the UUOA, in favour of Operator, Employer shall refund the disputed amount, together with interest thereon at the Agreed Interest Rate (as of the date the dispute is resolved or decided) from the date on which the disputed amount was paid by the Operator until the date the Employer refunded such disputed amount.

3.5 Past Due Amounts.

Any amounts not paid on or before the date due under this Master Secondment Agreement shall bear interest from the date due until paid in full at the interest rate provided for in Clause 10.4 of the UUOA.

Article 4: LIABILITY AND INDEMNITY

4.1 Liability and Indemnity.

The provisions of Clauses 7.3(G) and 7.6 of the UUOA shall apply with respect to any liability of Operator and/or Employer or Employer Affiliate arising out of or as a result of the Services performed pursuant to this Master Secondment Agreement.

4.2 Notice of Claim and Opportunity to Defend.

Each Party shall notify the other as soon as practicably possible after receiving notice of any claim, demand or action that may be presented to or served upon such Party or any other indemnified person affiliated with such Party by any third person or entity arising out of or as a result of the Services performed pursuant to this Master Secondment Agreement, and shall afford the other Party full opportunity to assume the defence of such claim, demand or action.

4.3 Limitation of Liability.

Without prejudice to the terms of the UUOA regarding any Party's liability for its ~~Proportional~~ ^{P.S. Paying Am} interest share of such amounts allocated to the Unit Account, but notwithstanding the other terms of this Article 4, neither Party (nor any Employer Indemnatee nor Operator Indemnatee) shall be liable to the other for Consequential Loss or Environmental Loss deriving from a breach of any term of this Master Secondment Agreement.

4.4 Scope and Cost of Indemnities.

Any liability assumed or indemnity given by Employer for the benefit of Operator shall be deemed to be assumed or given also for the benefit of the Non-Operators and any cost or expense associated with such liability or indemnity shall be charged to the Operator and subsequently charged to the Unit Account and treated in accordance with the terms of the UUOA. Nothing in this Master Secondment Agreement shall be deemed to release Employer from or to limit any liability or obligation that Employer may have as a Party to the UUOA.

4.5 Employer's Liability Insurance.

Employer shall name (or cause its Employer Affiliate to name) Operator as an additional insured on Employer's (or Employer Affiliate's, if applicable) liability insurance, to the extent permitted by applicable law, and shall obtain waivers of rights of recourse against Operator and the Non-Operators.

Article 5: CONFIDENTIALITY AND COMPETITION

5.1 Confidential Information.

- (A) Each Party shall maintain as confidential, and not divulge, any information or data, other than Unit Data (which is governed by the UUOA) not publicly available, which is disclosed to such Party by the other as a consequence of the Secondment of Secondees pursuant to this Master Secondment Agreement, subject to those exceptions provided for in Clause 17.2(A) of the UUOA.
- (B) Employer shall be responsible for ensuring that each Secondee shall keep strictly confidential the terms of this Master Secondment Agreement and all information and data acquired by each Secondee during the Secondment; provided that nothing in this Master Secondment Agreement, or if applicable the Secondee Agreement, shall be deemed to prohibit a Secondee from disclosing:
- 1) Information and data with respect to Unit Operations to Employer, or any other Party to the UUOA which is not in default under the UUOA with respect to Unit Operations;
 - 2) Information and data to the extent required to be furnished in compliance with the applicable Law/Regulations, or pursuant to any legal proceedings or because of any order of any court binding upon such Secondee; provided that, where reasonably possible, prior to any such disclosure the Secondee provides reasonable advance notice of the disclosure and the legal reasons for such disclosure to Operator;
 - 3) Information and data to prospective or actual attorneys engaged by a Secondee, where disclosure of such information and data is essential to such attorneys' work for such Secondee in relation to this Master Secondment Agreement or the Secondee Agreement; or
 - 4) Information and data which, through no fault of a Secondee, is or becomes a part of the public domain.

5.2 Breach of Confidentiality.

Employer acknowledges that any breach of a Secondee's duty of confidentiality under Article 5.1(B) may result in the immediate removal of such Secondee pursuant to Article 6.2(B)(2). In addition, Employer shall indemnify Operator for any costs, excluding Consequential Loss, incurred by Operator pursuant to any breach of confidentiality by Employer under Article 5.1(A), or by Secondee under Article 5.1(B), or by any other person to whom Employer has disclosed such confidential information pursuant to the exceptions provided in Clause 17.2(A) of the UUOA.

5.3 Right of Competition.

The Operator recognizes that after a Secondee has completed a Secondment hereunder, that Secondee may continue working in the oil or natural gas industry and may be involved by the Employer or one of its Affiliates in business activity of a related or similar nature to the work activity that Secondee performed for the Operator during that Secondment, including in the same Secondment Location. The Operator agrees that nothing in this Master Secondment Agreement, or the Secondee Agreement, shall be interpreted to interfere with the ability of a Secondee to continue working in the oil or natural gas industry or preclude or limit any work assignment of a Secondee in the future, so long as that Secondee does not make any unauthorized disclosure of confidential information, as described in Article 5.1(B) above, in the performance of those services.

Article 6: DURATION AND TERMINATION

6.1 Duration of Master Secondment Agreement and the Secondment.

Any Party may terminate this Master Secondment Agreement by notice to the other Party, if:

- (A) There has been a material breach by the other Party of its respective obligations under this Master Secondment Agreement, which has not within a period of thirty (30) Days from the affected Party's notice of such breach been remedied effectively;

- (B) Operator or Employer no longer holds an interest in the UUOA;
- (C) There is a change in legislative or fiscal regime, including the manner in which any Governmental Authority or court interprets such regimes, which in the reasonable opinion of any Party would have a material adverse effect on such Party if performance is continued;
- (D) Subject to Operator's right to assign this Master Secondment Agreement under Article 7.1 below, the Operator ceases to be Operator under UUOA; or
- (E) The UUOA terminates.

The provisions of Articles 4, 5 and 7 shall survive the termination of this Master Secondment Agreement.

6.2 Operator's Right to Terminate the Secondment.

- (A) Operator may terminate a Secondee's Secondment upon thirty (30) Days prior written notice to the Employer:
 - 1) If Employer does not approve a change of Secondment Location or a change of Services of the Secondee pursuant to Article 2.8 of this Master Secondment Agreement;
 - 2) If the Secondee repeatedly fails to comply with Operator's workplace rules, regulations and policies, or the directions given by Operator's management;
 - 3) If the Secondee after receiving notice of unsatisfactory performance fails to perform the Services in a manner that in Operator's reasonable judgment is satisfactory;
 - 4) If an Employer Affiliate, which is the direct employer of the Secondee, ceases to be an Affiliate of Employer;
 - 5) If the Secondee ceases to be an employee of Employer or an employee of an Employer Affiliate (as the case may be);
 - 6) If necessary work permits, visas and any other administrative authorization required to allow the Secondee to work and reside in the Secondment Location are not obtained within a reasonable period of time, or are cancelled or withdrawn; or
 - 7) If the Unit Operating Committee fails to approve the funding for such Secondment.
- (B) Operator may terminate a Secondee's Secondment immediately without notice to Employer:
 - 1) If such Secondee engages in serious misconduct or violates any substantive or material Laws/Regulations, which in Operator's reasonable judgment either:
 - a) significantly impairs such Secondee's ability to perform the Services or to live and work in the Secondment Location; or
 - b) adversely affects Operator's relations with any Governmental Authority; or
 - 2) If such Secondee materially breaches the confidentiality obligations under this Master Secondment Agreement, or if applicable, the Secondee Agreement.
- (C) In the event a party to the UUOA has given a notice of Force Majeure under Clause 18.1 of the UUOA, which, in the reasonable opinion of the Operator, has a material effect on Secondee's Secondment, then Operator may terminate such Secondee's Secondment with immediate effect by giving notice to Employer provided that such notice of termination is served during the Force Majeure period.
- (D) Immediately after any termination without notice, Operator shall notify Employer setting out the reasons for such termination.
- (E) If Secondee's Secondment is terminated by Operator under Article 6.2(A)(6), Article 6.2(A)(7) or 6.2(C) above, Operator shall bear the costs associated with such Secondee's return to his or her Home Location and shall also bear the cost of providing an alternate candidate for the purposes of replacing such Secondee (if any). For the avoidance of doubt such costs shall be charged to the Unit Account in accordance with the terms of the UUOA.

6.3 Employer's Right to Terminate the Secondment.

Each Secondee shall be assigned to Operator for the Secondment Period and Employer will use all reasonable endeavours not to terminate such Secondee's Secondment during the Secondment Period; except that:

- (A) Employer shall have the right to immediately terminate a Secondee's Secondment in case of Force Majeure, or a personal emergency concerning the Secondee or other personal circumstances asserted by the Secondee. Employer shall promptly give notice setting out the general circumstances of such Force Majeure event, personal emergency or personal circumstances;
- (B) Where an Employer Affiliate, which is the direct employer of the Secondee, ceases to be an Affiliate of Employer, Employer shall have the right to terminate such Secondee's Secondment by giving written notice to the Operator provided that such termination shall take effect no less than thirty (30) Days from the date on which such Employer Affiliate ceases to be an Affiliate of Employer, unless otherwise agreed by the parties in writing.
- (C) Subject to Article 2.8(B), Employer may terminate a Secondment on thirty (30) Days prior written notice if Employer disapproves the change of Secondment Location or a change of Services of a Secondee pursuant to Article 2.8 of this Master Secondment Agreement;
- (D) Employer shall have the right to immediately terminate a Secondee's Secondment if such Secondee ceases to be an employee of Employer or an employee of an Employer Affiliate (as the case may be);
- (E) Employer shall have the right to immediately terminate a Secondee's Secondment if the necessary work permits, visas and any other administrative authorization required to allow the Secondee to work and reside in the Secondment Location have not been obtained within a reasonable period of time, or are cancelled or withdrawn and not replaced or renewed within a reasonable period of time;
- (F) Employer shall have the right to immediately terminate a Secondee's Secondment if the Unit Operating Committee fails to approve the funding for such Secondment;
- (G) Employer may terminate a Secondee's Secondment if Employer or an Employer Affiliate (as the case may be) needs such Secondee's services in connection with another project; provided that the Employer shall notify the Operator as soon as reasonably practicable but in any case and unless otherwise agreed by the parties in writing:
 - 1) at least six (6) months in advance of such termination, where Secondee's Secondment Location is outside of the country of such Secondee's Home Location; and
 - 2) at least three (3) months in advance of such termination, where Secondee's Secondment Location is within the country of such Secondee's Home Location;
- (H) In the event a party under the UUOA has given a notice of Force Majeure under Clause 18.1 of the UUOA, which, in the reasonable opinion of the Employer, has a material effect on a Secondee's Secondment, the Employer may terminate such Secondee's Secondment with immediate effect by giving notice to Operator, provided that such notice of termination is served during the Force Majeure period.

For the avoidance of doubt, all costs associated with the termination of a Secondment under this Article 6.3 and, if applicable, a subsequent return to the Home Location by the Secondee shall be paid for by the Operator and charged to the Unit Account, except where such termination occurs under Article 6.3(G) in which case the Employer shall be responsible for the costs of such termination and substitution unless the termination occurs within six (6) months of the agreed end of the terminated Secondee's Secondment Period.

6.4 Secondee's Replacement.

Except as otherwise stated in this Master Secondment Agreement, if Employer or Operator terminates a Secondee's Secondment, the selection of a new Secondee, if any, shall be carried out in accordance with Article 2 above.

Article 7: MISCELLANEOUS

7.1 Assignment.

Neither Party shall assign or otherwise transfer all or any part of this Master Secondment Agreement, nor shall any Party delegate any of its rights or duties hereunder, without the prior written consent of the other Party, and any transfer or delegation made without such consent shall be void, provided that Operator shall be entitled to assign this Master Secondment Agreement without consent of the Employer to any Affiliate, to which it is entitled to assign operatorship under Clause 7.11 of the UUOA, provided that the successor must execute an assumption agreement in a form and substance which is reasonably satisfactory to the Employer by which the successor Operator agrees to be bound by the terms and conditions of this Master Secondment Agreement.

7.2 Captions.

The captions in this Master Secondment Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Master Secondment Agreement.

7.3 Confidentiality.

The existence and terms of this Master Secondment Agreement are confidential and shall not be disclosed by either Party, except such disclosures as permitted under Article 5.1 of this Master Secondment Agreement.

7.4 Counterparts.

This Master Secondment Agreement may be executed in counterparts, and by each Party in separate counterparts, each of which shall be deemed an original instrument, but both such counterparts together shall constitute one agreement.

7.5 Expenses.

Each Party shall pay its own legal fees and other costs and expenses incurred by it in connection with the execution and delivery of this Master Secondment Agreement.

7.6 Governing Law.

This Master Secondment Agreement shall be governed by, construed, interpreted and applied in accordance with the laws of the jurisdiction specified in Clause 20.2 of the UUOA, which laws shall apply by reference to the Master Secondment Agreement.

7.7 Dispute Resolution.

Any dispute arising under this Master Secondment Agreement shall be resolved in accordance with Clause 20.3 of the UUOA, which shall apply by reference to the Master Secondment Agreement.

7.8 No Third Person Beneficiaries.

The Contracts (Rights of Third Parties) Act 1999 (the "Act") shall only apply in respect of any relief from liability, hold harmless, indemnity or benefit expressly granted by Article 4 and, without prejudice to that Article, no Person who is not a Party (a "Third Party") shall otherwise have any right pursuant to the Act to enforce any term of this Master Secondment Agreement. Any rights held by a Third Party hereunder may only be enforced by arbitration in accordance with Article 7.7. The consent of a Third Party shall not be necessary for any revision or variation (including any release or compromise in whole or in part of any liability), novation or termination of this Master Secondment Agreement.

7.9 Notice.

The Notices provisions set forth in Clause 19 of the UUOA shall apply mutatis mutandis to this Master Secondment Agreement.

7.10 Severability.

The invalidity of any one or more provisions of this Master Secondment Agreement will not affect the validity of this Master Secondment Agreement as a whole, and in case of any such invalidity, this Master Secondment Agreement will be construed as if the invalid provision had not been included herein.

7.11 Waivers.

Any failure by either Party to comply with any of its obligations, agreements, or conditions herein contained may only be waived in writing in an instrument specifically identified as a waiver and signed by the Party to whom such compliance is owed. No waiver of, or consent to a change in, any provision of this Master Secondment Agreement shall be deemed or shall constitute a waiver of, or consent to a change in, any other provisions hereof, nor shall such waiver constitute a continuing waiver unless expressly provided in the waiver.

7.12 Conflict.

In the event of any conflict between the provisions of the UUOA, this Master Secondment Agreement, and if applicable a Seconded Agreement, the provisions of the UUOA shall prevail over the provisions of this Master Secondment Agreement (except as otherwise expressly provided in the UUOA) and if applicable the Seconded Agreement, and the provisions of this Master Secondment Agreement shall prevail over the provisions of the Seconded Agreement, if applicable.

7.13 Entire Agreement.

This Master Secondment Agreement, including any attachments, constitutes the entire agreement between the Parties pertaining to the subject matter hereof, supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties with respect thereto, and may not be amended or modified except by a written instrument signed by both Parties expressly identifying it as an amendment or modification hereof.

[Signature Pages to Follow]

IN WITNESS of their agreement, the Parties have caused their respective duly authorized representatives to execute this Master Secondment Agreement on the date first written above.

Operator:

Kosmos Energy Ghana HC

By: Andy Morman

Name: Andy Morman

Title: ASSET MANAGER

Employer:

Tullow Ghana Limited

By: Peter Sloan Antony DJACK

Name: PETER SLOAN ANTONY DJACK

Title: GROUP LEGAL MANAGER Sr. LEGAL COUNSEL

Attachment A to the Master Secondment Agreement
SECONDEE'S SPECIFICATIONS

Executed this _____ day of _____, _____.

Name

The Secondee shall be _____

Employer of Secondee, _____

Qualifications

The Secondee shall have the following qualifications and experience:

Position

The Secondee shall have the position of _____ in Operator's organization which [shall/shall not] constitute a Senior Supervisory Personnel position as defined in the UWOA, and shall report to the _____ in Operator's organization.

Services

Secondee shall have and perform the following duties and authorities ("*Services*");

[job description and specifications]

Secondment Location and Duration

Secondee's Home Location shall be _____

The Secondee shall work in Operator's offices in _____ ("*Secondment Location*") commencing on _____ and ending on _____ ("*Secondment Period*").

Monthly Rate

Employer will charge Operator US\$ _____ for each Month of the Secondee's Secondment ("*Monthly Rate*").

Operator:

By: _____

Name: _____

Title: _____

Employer:

By: _____

Name: _____

Title: _____

Attachment B to the Master Secondment Agreement

FORM OF SECONDEE AGREEMENT

[NOTE: PLEASE INCLUDE EMPLOYER AFFILIATE WHERE AN EMPLOYER AFFILIATE (RATHER THAN THE EMPLOYER) IS THE DIRECT EMPLOYER OF SECONDEE. IF THE EMPLOYER IS THE DIRECT EMPLOYER OF SECONDEE, DELETE ALL REFERENCES TO EMPLOYER AFFILIATE IN THIS DOCUMENT.]

THIS SECONDEE AGREEMENT (the "*Secondee Agreement*") executed this ____ day of _____, between _____ ("*Operator*") and _____ ("*Employer*"). [____ ("*Employer Affiliate*") and _____ ("*Secondee*") is entered into effective as of _____ (the "*Effective Date*") (Operator, Employer, [Employer Affiliate] and Secondee are sometimes referred to collectively as the "*Parties*" and individually as a "*Party*") and is premised on the fact that:

WHEREAS:

- (A) Operator and Employer have entered into that certain Master Secondment Agreement dated _____, 2009 (the "*Master Secondment Agreement*"), which, among other things, governs the relationship between Employer and Operator with respect to this Secondment; and
- (B) Pursuant to the Unitization and Unit Operating Agreement covering the Jubilee Field Unit located offshore in the Republic of Ghana among Operator, Employer and others, dated _____, 2009 (the "*UO/A*"), Employer may, as the result of Operator's request or Employer's proposal, second (or cause its Affiliates to second) in accordance with the Master Secondment Agreement its employees to fill certain positions in Operator's organization for conduct of operations.

In consideration of the premises set out above, and the provisions set out below, the Parties agree as follows:

SECTION 1: TERMS

1.1 Secondment.

The Secondee shall:

- (A) have the position of _____ in Operator's organization;
- (B) provide _____ services in relation to such position ("*Services*");
- (C) perform such Services in _____ (the "*Secondment Location*");
- (D) accept that the Secondment shall be for a period commencing on _____ and ending on _____ (the "*Secondment Period*") unless such Secondment Period is extended or terminated; and
- (E) report to the [position] in Operator's organization.

1.2 Conduct.

- (A) Secondee shall be integrated into Operator's organization for the Secondment Period and shall comply with:
 - 1) All applicable rules, regulations, policies and other practices established by Operator for its employees;
 - 2) Laws and regulations applicable to the Services and this Secondee Agreement; and
 - 3) Instructions and directions of Operator with respect to the performance of the Services and actions taken on Operator's behalf provided that such instructions and directions are compliant with applicable rules, regulations, policies and other practices established by Operator.
- (B) Secondee shall perform the Services contemplated by this Secondee Agreement with due diligence and in a good, competent, professional and safe manner in accordance with applicable laws and regulations, the standards and practices of the international petroleum industry, and the supervision and control of the Operator.

1.3 Status of Secondee.

Secondee acknowledges that:

- (A) Secondee is and shall continue to be an employee of [Employer/Employer Affiliate] and not of the Operator for all purposes, and shall remain on [Employer's/Employer Affiliate's] payroll. As an employee of [Employer/Employer Affiliate], any employment benefits that he or she is entitled to during Secondment including, but not limited to, all forms of remuneration, promotion, provision of benefits and career planning, will be provided to him or her by [Employer/Employer Affiliate] and he or she will be limited to those benefits offered to employees by [Employer/Employer Affiliate] and to which he or she is eligible under [Employer's /Employer Affiliate's] benefit plans and policies;
- (B) For the avoidance of doubt, Secondee shall not be entitled to or eligible for any employment benefits including, but not limited to, all forms of remuneration, provision of benefits which are provided by the Operator or any of its partners or affiliates to its or their employees, directors or contractors;
- (C) [In the event the Secondee suffers or incurs a job-related injury during his or her Secondment, workers' compensation insurance coverage will be provided to him or her by [Employer/Employer Affiliate], such workers' compensation insurance will extend to and cover such on-the-job injury or injuries incurred during the Secondment, and that such workers' compensation will be his or her exclusive remedy against Employer, [Employer Affiliate], Operator, or the partners or affiliates of Operator or Employer [or Employer Affiliate] for any such work-related injuries during the Secondment.] *[NOTE: OPTIONAL SUBJECT TO EMPLOYER'S DISCRETION]*
- (D) As an employee of [Employer/Employer Affiliate], Secondee will take no action on behalf of Operator or its Affiliate(s) except as may be specifically authorized in writing by Operator;
- (E) Operator shall have the right to specify the scope and nature of Secondee's work and the results to be achieved, and to direct Secondee in the performance of the Services throughout the Secondment Period;
- (F) Secondee shall have no authority to make any statement, representation, or commitment of any kind or to take any action that shall be binding upon Operator, except as may be specifically authorized in writing by Operator;
- (G) Secondee's Secondment is a temporary secondment and, subject to the terms of this Agreement, is anticipated to continue until the end of the Secondment Period; and
- (H) Operator shall have no authority to terminate employment or to administer disciplinary action with respect to Secondee. Only the Employer [or Employer Affiliate] shall have authority to discipline Secondee. For the avoidance of doubt, the terms of this Section 1.3(H) shall be without prejudice to Operator's right to terminate Secondee's Secondment as provided in Section 3 of this Secondee Agreement.

1.4 Change of Location or Services.

Subject to Secondee's agreement, Secondee's Secondment Location and scope of the Services to be rendered under this Secondee Agreement may be changed from time to time.

SECTION 2: CONFIDENTIALITY AND WAIVER

2.1 Confidential Information.

- (A) Secondee acknowledges that all information and data obtained by Secondee in the performance of this Secondee Agreement is the property of the Operator and/or the Parties to the UUOA, or of the Government of the Republic of Ghana.
- (B) Secondee shall hold all such data and information strictly confidential, and without the prior written consent of Operator shall not disclose any such information or data to anyone, except disclosure of:
 - 1) Information and data with respect to Unit Operations to Employer, or any other Party to the UUOA which is not in default of the UUOA;
 - 2) Information and data to the extent required to be furnished in compliance with the applicable law or regulations, or pursuant to any legal proceedings or because of any order of any court binding upon Secondee; provided that, where reasonably possible, prior to any such disclosure the Secondee provides reasonable advance notice of the disclosure and the legal reasons for such disclosure to Operator;

- 3) Information and data to its attorneys engaged by Seconded, where disclosure of such information and data is essential to such attorneys' work for Seconded in relation to this Seconded Agreement; or
 - 4) Information and data which, through no fault of Seconded, is or becomes a part of the public domain.
- (C) Seconded further acknowledges that certain information made available to such Seconded during his or her Secondment may include data covered by the Export Administration Regulations of the United States Government (the "*Regulations*"). In accordance with these Regulations, the Seconded acknowledges that neither the unpublished technical data disclosed to him or her during his or her Secondment nor the direct product thereof, may be shipped, directly or indirectly, to any of the countries to which export is prohibited under the Regulations.
- (D) Seconded further acknowledges that the existence and terms of this Seconded Agreement are confidential on the terms set forth above in this Section.
- (E) Seconded acknowledges that any breach of the duty of confidentiality may result in Seconded's immediate removal pursuant to Section 3.2(K). Seconded further acknowledges that because monetary damages may not be an adequate remedy for breach of the duty of confidentiality, Seconded specifically agrees that Operator is entitled to enforce the duty of confidentiality by obtaining injunctive or other equitable relief.

2.2 Competitive Advantage.

Seconded acknowledges that the international oil and gas business is highly competitive. Seconded also acknowledges that the information which Seconded obtains about Operator's strategies, methods, and business relationships comprises confidential business information which enables Operator to obtain a competitive advantage, and that maintaining confidentiality of such business information is of critical importance to Operator in maintaining its competitive position. Seconded covenants not to use such information in a manner that Seconded knows, or reasonably should know, may be prejudicial to the interests of Operator or its Affiliates, particularly in Ghana, during the term of this Seconded Agreement, and not to communicate to Employer [or Employer Affiliate] any specific business opportunities unrelated to the UUOA of which Seconded becomes aware from Operator or its Affiliates in the course of performing this Seconded Agreement; provided that nothing in this Section 2.2 shall prevent Seconded from communicating with Employer and its Affiliates concerning information relating to operations under the UUOA, so long as Employer is not in default under the UUOA. Seconded acknowledges that Seconded shall not have any interest in any granting instrument or other contract which Operator or its Affiliates may obtain as a direct or indirect result of Seconded's efforts. Seconded acknowledges that the restrictions set out above may limit his or her ability to engage in businesses similar to Operator's and its Affiliates' during the term of this Seconded Agreement.

SECTION 3: DURATION

3.1 Term.

This Seconded Agreement shall come into effect on the Effective Date and shall continue to be in full force and effect until expiration of the Secondment Period unless it is terminated earlier in accordance with Section 3.2 below.

3.2 Termination.

The Seconded hereby acknowledges that this Seconded Agreement may be terminated by either the Operator or the Employer for the following reasons:

- (A) a termination of the Master Secondment Agreement;
- (B) the Seconded ceasing to be the employee of [Employer/Employer Affiliate];
- (C) [Employer Affiliate ceasing to be an Affiliate of the Employer;]
- (D) Employer ceasing to hold an interest in the UUOA;
- (E) If necessary work permits, visas and any other administrative authorization required to allow the Seconded to work and reside in the Secondment Location are not obtained within a reasonable period of time, or are cancelled or withdrawn;
- (F) If the Unit Operating Committee fails to approve the funding for such Secondment;

- (G) If Employer [or Employer Affiliate] needs the Seconddee's services in connection with another project;
- (H) Seconddee's repeated failure to comply with Operator's workplace rules, regulations and policies, or the directions given by Operator's management;
- (I) Seconddee's failure, after receiving notice of unsatisfactory performance, to perform the Services in a manner that in Operator's reasonable judgment is satisfactory;
- (J) Seconddee's engagement in serious misconduct or violation of any substantive or material laws, which in Operator's reasonable judgment significantly either: (a) impairs such Seconddee's ability to perform the Services or to live and work in the Secondment Location; or (b) adversely affect Operator's relations with any Governmental Authority;
- (K) Seconddee's material breach of the confidentiality obligations set out in Section 2 of this Seconddee Agreement; or
- (L) In the event of a Force Majeure under the UUOA.

3.3 Survival.

The provisions of Sections 2 and 4 shall survive the termination of this Seconddee Agreement.

SECTION 4: MISCELLANEOUS

4.1 Assignment.

Neither the Operator nor the Employer shall have the right to assign or otherwise transfer all of any part of this Seconddee Agreement without the corresponding assignment or transfer of the Master Secondment Agreement.

[Neither Employer Affiliate nor] Seconddee shall not assign or otherwise transfer all or any part of this Seconddee Agreement nor shall Seconddee delegate any of his or her rights or duties under this Seconddee Agreement, without the prior written consent of the Operator and the Employer, and any transfer or delegation made without such consent shall be void.

4.2 Governing Law and Dispute Resolution.

This Seconddee Agreement shall be governed by, construed, interpreted and applied in accordance with the laws of [NOTE: TO BE INSERTED AS APPROPRIATE], excluding any choice of law rules, which would refer the matter to the laws of another jurisdiction and the courts of [NOTE: TO BE INSERTED AS APPROPRIATE] shall have jurisdiction to hear all disputes that cannot be amicably settled between the Parties.

4.3 Notice.

Any notice to be given in relation to this Seconddee Agreement shall be in writing and delivered either by mail, courier or fax (but not e-mail) and addressed to the following addresses:

OPERATOR

EMPLOYER

[EMPLOYER AFFILIATE]

SECONDEE

_____] _____

4.4 Effect of invalidity of certain provisions.

The invalidity of any one or more provisions of this Secondce Agreement will not affect the validity of this Secondce Agreement as a whole, and in case of any such invalidity, this Secondce Agreement will be construed as if the invalid provision had not been included herein.

4.5 Conflict.

With respect to the rights and obligations between Secondce, and [Employer/Employer Affiliate], in the event of any conflict between Secondce's employment arrangement with [Employer/Employer Affiliate] and this Secondce Agreement, the provisions of this Secondce Agreement shall prevail over the provisions of such employment arrangement.

With respect to the rights and obligations between Employer[, Employer Affiliate] and Operator, in the event of any conflict between the provisions of Clause 7.3 of the UJQA, the Master Secondment Agreement and this Secondce Agreement, the provisions of Clause 7.3 of the UJQA shall prevail over the provisions of the Master Secondment Agreement and this Secondce Agreement, and the provisions of the Master Secondment Agreement shall prevail over the provisions of this Secondce Agreement.

4.6 Entire Agreement.

This Secondce Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof, supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written, of the Parties with respect thereto, and may not be amended or modified except by a written instrument signed by all Parties expressly identifying it as an amendment or modification hereof.

IN WITNESS of their agreement, the Parties have caused this Secondce Agreement to be executed.

Operator:

By: _____
Name: _____
Title: _____

Employer:

By: _____
Name: _____
Title: _____

[Employer Affiliate:

By: _____
Name: _____
Title: _____

Secondee

I HEREBY CERTIFY THAT I HAVE CAREFULLY READ, FULLY UNDERSTAND AND VOLUNTARILY SIGN THIS SECONDEE AGREEMENT, AND UNDERSTAND COMPLETELY ALL THE TERMS USED AND THEIR SIGNIFICANCE. I ALSO CONFIRM THAT I WAS GIVEN AN OPPORTUNITY TO SEEK COUNSEL AND GUIDANCE AS NECESSARY REGARDING THE APPLICATION OF THE PRINCIPLES AND EXPECTATIONS SET FORTH IN THIS SECONDEE AGREEMENT

By: _____

Name: _____

Title: _____

TECHNICAL SERVICES AND COST REIMBURSEMENT AGREEMENT

Ghana Jubilee Field Unit

with respect to

UNITIZATION AND UNIT OPERATING AGREEMENT SERVICES AND COSTS

by and among

ANADARKO PETROLEUM CORPORATION

And

KOSMOS ENERGY GHANA HC

And

TULLOW GHANA LIMITED

Dated 13 JULY, 2009

TABLE OF CONTENTS

1	DEFINITIONS	2
2	ENGAGEMENT OF ANADARKO BY OPERATOR	4
3	PROCEDURE FOR REQUESTING TECHNICAL SERVICES – SERVICE ORDERS	5
4	INVOICING AND PAYMENT.....	6
5	OPERATORS' RESPONSIBILITIES	7
6	ANADARKO'S RESPONSIBILITIES	8
7	RECORDS AND DOCUMENTATION OF ACTUAL COST.....	8
8	TAXES	9
9	LIABILITY AND INDEMNITY	9
10	CONFIDENTIALITY.....	11
11	NON SOLICITATION OF ANADARKO PERSONNEL.....	11
12	INTELLECTUAL PROPERTY	11
13	ASSIGNMENT.....	11
14	TERMINATION	12
15	CONFLICT WITH UVOA.....	13
16	COSTS OF NEGOTIATION	13
17	MISCELLANEOUS.....	13

This Technical Services and Cost Reimbursement Agreement (the "Agreement") is made this 13 day of JULY 2009,

BETWEEN:

Tullow Ghana Limited a company incorporated under the laws of Jersey having its principal office address at Fred. Roeskestraat 123, 1076 EE Amsterdam, the Netherlands ("**Tullow**") as Unit Operator under the UUOA (as defined herein), for and on behalf of itself, Ghana National Petroleum Corporation ("**GNPC**"), Kosmos Energy Ghana HC, Anadarko WCTP Company ("**Anadarko WCTP**"), Sabre Oil & Gas Holdings Limited ("**Sabre**"), and EO Group Limited ("**EO**") in their capacity as parties to the UUOA (as defined below)

Kosmos Energy Ghana HC a Cayman Islands company having its registered office at P.O. Box 1350 GT, Clifton House, 65 Fort Street, George Town, Grand Cayman, Cayman Islands ("**Kosmos**") as IPT Technical Operator under the UUOA (as defined herein), for and on behalf of itself, GNPC, Tullow, Anadarko WCTP, Sabre and EO in their capacity as parties to the UUOA (as defined below),

whereby Tullow and Kosmos shall each be referred to herein as "Operator", on the one hand

AND

Anadarko Petroleum Corporation, a Delaware corporation having its office at 1201 Lake Robbins Drive, The Woodlands, Texas ("**Anadarko** ");

(Tullow, Kosmos and Anadarko are hereinafter collectively referred to as the "Parties" and individually as a "Party")

WHEREAS:

- (A) GNPC, Tullow, Kosmos, Anadarko WCTP and Sabre are parties to the Petroleum Agreement for the Deepwater Tano Contract Area dated March 10, 2006 ("Tano Deep PA");
- (B) GNPC, Tullow, Kosmos, Anadarko WCTP, Sabre and EO are parties to the Petroleum Agreement for the West Cape Three Points Contract Area dated July 22, 2004 ("WCTP PA");
- (C) Exploration, drilling, geological and geophysical studies have established the existence of a geological petroleum accumulation underlying the Deepwater Tano Contract Area (as defined in Tano Deep PA) and West Cape Three Points Contract Area (as defined in WCTP PA) (the "Jubilee Field");
- (D) On 13 JULY, 2009, GNPC, Tullow, Kosmos, Anadarko WCTP, Sabre and EO entered into the Unitization and Unit Operating Agreement to govern their respective rights and obligations in respect of Unit Operations (as defined therein) to be carried out with respect to the development of the Jubilee Field as a unit (the "UUOA");
- (E) Pursuant to Clause 7.3(H) of the UUOA, the Parties have agreed that, from time to time, Anadarko WCTP (either directly or through its Affiliates) may provide services to support Unit Operator and IPT Technical Operator in conducting Unit Operations under the UUOA;

(F) The Parties hereby agree that subject to the Unit Operating Committee's approval of a Work Programme and Budget under the UUOA, all Anadarko Costs (as defined herein) which are subject to this Agreement shall be Unit Costs and charged to the Unit Account under the terms of the UUOA; and

(G) The Parties now wish to record the basis on which Anadarko (an Affiliate of Anadarko WCTP) shall provide (or cause its Affiliates to provide) Technical Services and Unit Operator shall reimburse Anadarko, as a Unit Account charge, for Anadarko Costs.

NOW THEREFORE IN CONSIDERATION OF THE MUTUAL PROMISES MADE HEREUNDER, THE PARTIES AGREE AS FOLLOWS:

1 DEFINITIONS

Any capitalized terms not specifically defined herein shall have the respective meanings set out in the UUOA.

"Affiliate" means in relation to any Party, a company, partnership, person, persons or other legal entity which controls or is controlled by, or which is controlled by an entity which controls, a Party. Control means the ownership directly or indirectly of more than fifty percent (50%) of the voting rights in a company, partnership or legal entity or the ability to direct, directly or indirectly, the management or policies of a company, partnership, person or other legal entity, whether through ownership of voting shares or other voting rights, pursuant to written contract, or otherwise.

"Anadarko Costs" means the aggregate of:

(a) an Hourly Rate to be charged by Anadarko to Unit Operator for each hour in any Man Day of Technical Services provided by each Anadarko Personnel to either Operator. For the avoidance of doubt, where an Anadarko Personnel provides Technical Services for more than nine (9) hours in any one Man Day or for more than eighty (80) hours in any two (2) consecutive calendar weeks, Anadarko shall charge Unit Operator a maximum of nine (9) hours for such Man Day and a maximum of eighty (80) hours for such two (2) consecutive calendar weeks;

(b) any costs, other than costs included in the Hourly Rate, properly incurred by Anadarko and its Affiliates in procuring the provision of the Technical Services and which are payable to a third party; and

(c) any other costs, other than costs included in the Hourly Rate, which shall include but shall not be limited to travel, communication, office space and administrative costs and expenses as well as disbursements.

"Anadarko Personnel" means the directors, officers and employees or individual consultants of Anadarko or its Affiliates which will provide Technical Services to either Operator under this Agreement the positions of which are listed in Appendix A to this Agreement, which may be amended from time to time under the terms of this Agreement.

“Effective Date” shall mean the Effective Date.

“Good Industry Practice” means the exercise of that degree of skill, diligence, prudence, foresight and operating practice which would, at the relevant time, reasonably and ordinarily be expected from a skilled and experienced person engaged in providing similar services in similar circumstances seeking in good faith to comply with all applicable law and applicable codes of practice under the same or similar circumstances and having regard to applicable international standards.

“Governmental Authority” means (i) any national, regional or local government and any ministry or department thereof, (ii) any person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government (including any independent regulator), (iii) any other governmental entity, instrumentality, agency, authority, court, or company, (iv) any other entity, committee or commission under the direct or indirect control of a government, or (v) any government-owned or controlled commercial enterprise;

“Gross Negligence/Willful Misconduct” has the meaning ascribed to it in Article 9(D) of this Agreement.

“Hourly Rate” means a rate to be charged per hour as stipulated in Appendix A for each Anadarko Personnel (which shall be based, without limitation, on cost of salary and other compensation, benefits, employer’s liability insurance and employment related taxes with respect to such Anadarko Personnel).

“HSE” means health, safety and environment.

“Intellectual Property” has the meaning ascribed to it in Article 12 of this Agreement.

“Jubilee Field” has the meaning ascribed to it in Recital (C) of this Agreement.

“Losses” has the meaning ascribed to it in Article 9(D) of this Agreement.

“Man Day” means a working day consisting of nine (9) consecutive hours.

“Operator” means either Unit Operator or IPT Technical Operator or both, as the case may be.

“RFP” has the meaning ascribed to it in Article 3(A) of this Agreement.

“Service Order” has the meaning ascribed to it in Article 3(D) of this Agreement.

“Tano Deep PA” has the meaning ascribed to it in Recital (A) of this Agreement.

“Taxes” means any tax, charge, levy, impost, tariff, duty, gross receipts fee or other fee of any kind charged, imposed or levied, directly or indirectly, by any Governmental Authority of Ghana, including any value-added tax, turn-over tax, sales tax, stamp duty, import duty, real-estate tax, withholding tax (whether on income, dividends, interest payments, fees, equipment rentals or otherwise), tax on foreign currency loans or foreign exchange transactions, excise tax, property tax, registration fee or license, water tax or environmental, energy or fuel tax, including any interest, penalties or other additions thereon but excluding any taxes imposed on or measured by overall net income (however denominated), franchise taxes imposed (in lieu of net income taxes) and any branch profits taxes (or any similar tax) charged, imposed or levied.

“**Technical Services**” means services listed in Appendix A which may be provided by Anadarko Personnel from the Effective Date to either Operator from time to time under the terms of this Agreement and the details of which will be set out in Service Orders, which services shall include but shall not be limited to data analysis, geological & geophysical studies and assessments, petroleum engineering, reservoir engineering, field and production management, international marketing of crude oil and sales, E&P operations finance, planning, tax and legal, information systems and human resources services.

“**TSA Proposal**” has the meaning ascribed to it in Article 3(B) of this Agreement.

“**Unit Account**” has the meaning ascribed to it in Clause ~~1.163~~^{Am P.S. 1.172} of the UUOA.

“**UUOA**” has the meaning ascribed to it in Recital (D) of this Agreement.

“**WCTP PA**” has the meaning ascribed to it in Recital (B) of this Agreement.

2 ENGAGEMENT OF ANADARKO BY OPERATOR

- (A) Each Operator may engage Anadarko from time to time to provide Technical Services by executing a Service Order between such Operator and Anadarko describing the specific Technical Services to be provided.
- (B) The Parties may from time to time amend the list of categories of Technical Services in Appendix A by agreement in writing.
- (C) Notwithstanding anything to the contrary in this Agreement, Anadarko shall perform the Technical Services as an independent contractor. Neither Anadarko nor its agents or employees, including, without limitation, its Affiliates in performing the Technical Services, shall be the agents or employees of either Operator. Anadarko and its Affiliates shall be fully responsible for and shall have exclusive direction and control of its agents and employees and shall control the manner and method of carrying out the Technical Services.
- (D) Notwithstanding anything to the contrary in this Agreement, Anadarko may in its provision of the Technical Services take such action as it deems necessary to protect the health and safety of persons or the environment or to comply with the terms of the WCTP PA and Tano Deep PA, any applicable law or the requirement of any Governmental Authority of the Republic of Ghana.
- (E) Anadarko may carry out the Technical Services using Anadarko Personnel and its resources, and/or those of its Affiliates at its sole discretion.
- (F) Anadarko shall have no obligation to provide or procure the provision of the Technical Services for any person other than an Operator.
- (G) Nothing in this Agreement shall prevent Anadarko from providing additional services (to the extent that such additional services are not specified in this Agreement) on such terms as the Parties shall agree in writing.
- (H) Nothing in this Agreement shall prevent Anadarko from providing services of a similar or dissimilar nature to the Technical Services to any other person.

3 PROCEDURE FOR REQUESTING TECHNICAL SERVICES – SERVICE ORDERS

- (A) An Operator who desires to engage Anadarko hereunder from time to time shall submit a written request for proposal to Anadarko describing the specific scope of the Technical Services requested, giving as much data and information as is available, including any applicable time constraints (the "RFP").
- (B) Anadarko shall respond to the RFP submitted by an Operator in accordance with Article 3(A) above by sending a written notice to such Operator as soon as reasonably practicable but no later than fifteen (15) days from the date of receipt of such RFP by:
- (1) stating that it is unable to provide the Technical Services requested by such Operator; or
 - (2) submitting a proposal for the provision of Technical Services requested by setting out an estimate of the Man Days required, the proposed Anadarko Personnel to be engaged, their respective qualifications, the Hourly Rates to be charged for each such Anadarko Personnel and any other information that may be relevant in describing how and under what conditions the requested Technical Services will be performed/delivered (the "TSA Proposal").
- A failure by Anadarko to respond to Operator's RFP under this Article 3(B) within fifteen (15) days from the receipt of Operator's RFP shall be a deemed rejection to make a proposal to provide Technical Services and the Operator's RFP shall no longer be in force.
- (C) As soon as reasonably practicable and in any event within thirty (30) days following receipt of the TSA Proposal, the requesting Operator shall notify Anadarko in writing whether or not it accepts the terms of such TSA Proposal and/or whether such Operator requests any amendments to the TSA Proposal. A failure by such Operator to respond to Anadarko's TSA Proposal within such thirty (30) day period shall be a deemed rejection to accept such TSA Proposal whereupon Anadarko's TSA Proposal shall automatically lapse.
- (D) If such Operator and Anadarko reach an agreement on the scope of Technical Services to be provided, they shall execute a Service Order (a "Service Order") which shall describe the specific services to be performed and the consideration to be paid in accordance with the general terms and conditions of this Agreement and the format of such Service Order shall be in the form substantially similar to the format set out in Appendix B to this Agreement. The Service Orders entered into under this Agreement shall be sequentially numbered beginning with the number "one"(1).
- (E) For the avoidance of doubt, Anadarko shall be under no obligation to commence the provision of Technical Services requested by an Operator unless and until a Service Order has been agreed and executed between Anadarko and such Operator.
- (F) Anadarko shall have the right to review and amend an Hourly Rate for each position of Anadarko Personnel set out in Appendix A or in an agreed Service Order on an annual basis with a written notice to the Operator who is party to such Service Order, provided that Anadarko shall not make such amendments more than once in any calendar year. Any such amendment shall reflect actual costs incurred by Anadarko and shall not become effective earlier than sixty (60) days after the date of Anadarko's notice referred to in this Article 3(F).
- (G) Where such Operator is unable to accept an amended Hourly Rate proposed by Anadarko, either Party shall have the right to terminate one or more outstanding Service Orders affected by such

amended Hourly Rate by giving notice to the other Party at least thirty (30) days prior to such termination. For the avoidance of doubt, termination of one or more Service Orders under this Article 3(G) shall be without prejudice to Anadarko's right to receive payment and reimbursement for any outstanding Anadarko Costs which have been incurred by Anadarko but have not been paid by Unit Operator prior to such termination or to any outstanding Service Orders which have not been terminated.

- (H) Where an Operator requests additional Technical Services to be provided under an agreed Service Order, such Operator shall send the RFP to Anadarko and, subject to the terms of this Article 3, such Operator and Anadarko shall enter into a new Service Order setting out the terms and conditions for the provision of additional Technical Services requested by such Operator.
- (I) An Operator may request to terminate the provision of certain Technical Services set out in an agreed Service Order between such Operator and Anadarko, by giving a written notice to Anadarko at least thirty (30) days prior to such termination, and such Operator and Anadarko shall amend the Service Order to take into account such termination.
- (J) An Operator may terminate an agreed Service Order by giving at least thirty (30) days prior written notice to Anadarko.
- (K) Anadarko may terminate an agreed Service Order for reasons other than stipulated in Article 3(G) above at any time by giving at least sixty (60) days written notice to the Operator who is a party to such Service Order.
- (L) An Operator's right to terminate an agreed Service Order under Article 3(G) or Article 3(J) or Technical Service(s) under Article 3(I) and Anadarko's right to terminate an agreed Service Order under Article 3(K) shall be without prejudice to Anadarko's right to receive full payment and/or reimbursement of all Anadarko Costs incurred in relation to the terminated Technical Service(s) or Service Order up to the date of their termination. In addition, where Anadarko, under Operator's instructions, entered into a commitment with a third party to assist Anadarko in providing Technical Services under such Service Order, Unit Operator shall reimburse Anadarko for any cancellation and/or early termination fees or other costs or expenses which may derive from such early termination of such third party commitment.

4 INVOICING AND PAYMENT

- (A) In consideration of the Technical Services provided by Anadarko to either Operator under the terms of this Agreement, Unit Operator shall pay to Anadarko all Anadarko Costs based on a monthly invoice submitted by Anadarko to the Unit Operator.
- (B) Unit Operator shall remit payment to Anadarko in US Dollars for the total of all sums set out in the invoice by a wire transfer to the bank account designated by Anadarko within thirty (30) calendar days of receipt of a monthly invoice submitted by Anadarko.
- (C) The monthly invoices for Anadarko Costs (other than Hourly Rate) shall be calculated in accordance with the Accounting Procedure of the UJOA (excluding Section 2.7 (Overhead) thereof). Anadarko shall provide an analysis and summaries of the aggregate Anadarko Costs with appropriate supporting documentation.

- (D) The Parties agree that Anadarko Costs shall include only those elements that are defined as cost recoverable in the Accounting Guide attached as Annex 2 to the WCTP PA and Tano Deep PA.
- (E) Unit Operator may dispute the invoice submitted by Anadarko under this Agreement provided that it notifies Anadarko of such dispute no later than sixty (60) days from the date of receipt of such invoice. Such notice of dispute shall be in writing and shall set out in detail the specific reasons for such dispute. Any invoice which is not disputed, or for which no reason for dispute is given within the said sixty (60) days from the date of receipt of such invoice, whether paid or not, shall, without prejudice to the Operators' right to audit under Article 7(B) and to request an independent certificate as provided under Article 4(H) below, be deemed to have been accepted by Unit Operator.
- (F) Unit Operator shall not be entitled to set-off, withhold, postpone or suspend payment of any invoice for Anadarko Costs or cash call by reason of any claims, complaints or objections against Anadarko or its Affiliates or by reason of any pending dispute with Anadarko or its Affiliates.
- (G) Any overdue payment of any sum payable by Unit Operator to Anadarko pursuant to this Article 4 shall bear interest at the default interest rate referred to in Article 10.4 of the UUOA.
- (H) The Hourly Rate charged by Anadarko under this Agreement shall reflect actual costs for Anadarko or its Affiliates of providing Technical Services to the Operator. If requested by either Operator, Anadarko shall provide a certificate issued by an internationally reputable firm of chartered or public accountants certifying the same, provided that such certificate shall only be required to be issued once in any calendar year. Such certificate shall be conclusive as between both Operators and Anadarko as to the acceptability of Hourly Rates to be charged by Anadarko under this Agreement. The cost of providing such certificate shall be charged as Anadarko Cost by Anadarko to the Unit Operator in accordance with this Article 4.
- (I) Any Party may request the other Party to make the necessary adjustments, which may derive from the certificate issued under Article 4(H) above, to any subsequent invoices issued by Anadarko to the Unit Operator under this Agreement; provided, however, that where Anadarko is not expected to issue any further invoices under this Agreement, the adjustments mentioned in this Article 4(I) shall be made by payment in cash either by Anadarko to Unit Operator or by Unit Operator to Anadarko, as the case may be.

5 OPERATORS' RESPONSIBILITIES

- (A) Each Operator shall provide to Anadarko, without charge and in such good time so as not to delay or disrupt the performance of the Technical Services:
- 1) all necessary and relevant data and information in the possession of such Operator or its contractors or their respective servants, agents or subcontractors, as shall be reasonably required for the performance of the Technical Services;
 - 2) assistance from such Operator or its contractors or their respective servants, agents or subcontractors as shall reasonably be required by Anadarko or Anadarko Personnel for the performance of the Technical Services; and
 - 3) reasonable assistance for obtaining all necessary visas, work and residence permits, or any other licence or permit required by Anadarko Personnel in connection with the performance of the Technical Services.

- (B) Each Operator shall take all reasonable steps to ensure the reasonable health and safety of Anadarko Personnel in connection with the performance of the Technical Services and shall comply with the provisions of all applicable laws, including in respect of health and safety.

6 ANADARKO'S RESPONSIBILITIES

- (A) Anadarko will and will procure that any and each of Anadarko Personnel shall comply with laws, regulations and procedures applicable to the operations under the UJOA and Good Industry Practice when performing Technical Services.
- (B) In providing Technical Services, Anadarko shall comply with directions of the Operator relating to the Technical Services, provided that Anadarko considers such directions as consistent with Good Industry Practice, Anadarko's HSE policies and applicable laws, regulations and procedures.
- (C) Unless it is within the scope of Anadarko's Technical Services under this Agreement, and Anadarko is expressly directed or instructed by the Operator to do so, Anadarko shall not incur costs for services or materials on behalf of Unit Operator or enter into third party contracts that may create a lien or charge on the Unit Account. Any costs, expenses and charges incurred by Anadarko with regard to engaging third parties in conducting Technical Services under this Agreement, as directed or instructed by Unit Operator, shall be paid for by Anadarko in a timely manner so that no lien attaches to the Unit Area facilities or any interest therein, provided that such costs, expenses and charges shall be invoiced to the Unit Operator as Anadarko Costs.
- (D) Where Anadarko, under an Operator's instructions, engages a third party to assist Anadarko in providing Technical Services under this Agreement, Anadarko shall use reasonable endeavors to obtain express anticorruption provisions in a written agreement with such third party, which such provisions shall include, where appropriate in Anadarko's opinion, applicable anticorruption legislation provisions, audit rights, termination provisions, and a requirement that each such third party obtain similar provisions in any contracts with its subcontractors.
- (E) Anadarko shall use reasonable endeavours to obtain all necessary visas, work and residence permits required by Anadarko Personnel in connection with the performance of the Technical Services.
- (F) In the event that an Operator finds any of the Anadarko Personnel assigned to perform the Technical Services for such Operator unsatisfactory, such Operator shall notify Anadarko in writing of the reasons for such dissatisfaction, in which event, such Operator and Anadarko shall co-operate to resolve the problem, and if in the reasonable opinion of such Operator the proposed solution is not workable or acceptable, it shall request Anadarko to withdraw such Anadarko Personnel from the performance of the Technical Services and to propose to replace him/her with a suitable replacement.
- (G) Notwithstanding Article 6(F) above, where any Anadarko Personnel engages in serious misconduct which, in the reasonable judgement of such Operator, may significantly impair such Operator's ability to carry out operations under the UJOA or Anadarko's ability to provide Technical Services under this Agreement, such Operator may remove or request Anadarko to withdraw such Anadarko Personnel with immediate effect.

7 RECORDS AND DOCUMENTATION OF ACTUAL COST

- (A) Anadarko shall maintain a true and correct set of records pertaining to the Technical Services and shall retain auditable records of labour, material, invoices and other supporting documents pertaining

to the Technical Services for a period of not less than two (2) years after the end of the calendar year in which the Technical Services were performed.

- (B) Operators shall have reasonable access to and a right to audit the records referred to in Article 7(A) above on the terms set forth for audits of Operator under Section 1.8 of the Accounting Procedure in the UJOA. Subject to the Parties' agreement on the result of an audit, an Operator may request Anadarko to make the necessary adjustments, which may derive from such audit, to any subsequent invoices issued by Anadarko to the Unit Operator under this Agreement; provided, however, that where Anadarko is not expected to issue any further invoices under this Agreement, the adjustments mentioned in this Article 7(B) shall be made by payment in cash either by Anadarko to Unit Operator or by Unit Operator to Anadarko, as the case may be.

8 TAXES

Save for taxes levied on the income or profits of Anadarko (if any), all Taxes imposed in connection with the execution or implementation of this Agreement shall be borne by Unit Operator. In the event that any payment required to be made by Unit Operator to Anadarko hereunder is subject to the deduction or withholding of any Taxes (excluding taxes on the income or profits of Anadarko (if any)), such payment shall be increased to the extent necessary to ensure that the payee receives a net sum which it would have received had no such deduction or withholding been made or required to be made.

9 LIABILITY AND INDEMNITY

- (A) Nothing in this Agreement shall exclude or limit any statutory rights which cannot be legally excluded or limited.
- (B) Anadarko releases and shall indemnify each Operator, GNPC, Sabre, EO, its and their Affiliates, and its and their directors, officers and employees (collectively, the "Indemnitees") from any and all costs, expenses (including reasonable legal fees) and liabilities incident to claims, demands, or causes of action of every kind and character, brought by any person or entity, for injury to, illness or death of any Anadarko Personnel, or any other employee of Anadarko or its subcontractors, or for damage to or loss of the property of Anadarko, its Affiliates, its and their subcontractors or any Anadarko Personnel, which injury, illness, death, damage or loss arises out of or is incident to the performance of (or the failure to perform) this Agreement. Anadarko shall fully defend the Indemnitees against any such claims, demands or actions at Anadarko's sole expense, even if the same are groundless. This indemnity obligation shall apply regardless of the cause of such injury, illness, death, damage, or loss even though caused in whole or in part by a pre-existing defect, Indemnitees' sole or concurrent negligence (either active or passive) or strict liability, or other legal fault of Indemnitees, excluding, however, any costs, expenses and liabilities proximately caused by the Gross Negligence/Wilful Misconduct of any Indemnitee.
- (C) Anadarko releases and shall indemnify each Indemnitee from any and all costs, expenses (including reasonable legal fees) and liabilities incident to claims, demands, or causes of action of every kind and character, resulting from allegations that any materials, equipment or item furnished by Anadarko, its Affiliates, its and their subcontractors or any Anadarko Personnel, or any part thereof, any use of such materials, equipment, item or part, or any work or services performed by Anadarko, its Affiliates, its and their subcontractors or any Anadarko Personnel, constitutes an infringement of any patent, copyright or trademark or application therefor, or other Intellectual Property. If Anadarko, its Affiliates, its and their subcontractors or any Anadarko Personnel, are enjoined from using any materials, equipment, item or part thereof or from performing any work or service, Anadarko shall, at its own expense, (i) procure the right to use such materials, equipment, item or part

or perform the work or service, (ii) substitute non-infringing materials, equipment, item, parts, work or service or (iii) modify the materials, equipment, item, parts, work or service to make it non-infringing.

- (D) Except as provided in Articles 9(B) and 9(C) above, neither Anadarko nor its Affiliates and its and their directors, officers and employees (collectively, "Anadarko Indemnitees") shall have any liability to either Operator, GNPC, Sabre or EO under this Agreement (except in the case of Anadarko WCTP in respect of its Unit Interest share of any Loss incurred for the Unit Account) for any Loss resulting from performing (or failure to perform) the Technical Services (whether for breach of contract, tort (including negligence), breach of statute or otherwise) except to the extent that any Loss arises from Gross Negligence /Wilful Misconduct of any such Anadarko Indemnitee.

"Losses" means all losses (including loss of production), liabilities, damages, costs (including legal costs and expert's and consultant's fees), charges, expenses, actions, proceedings, claims and demands and "Loss" shall mean any one of them.

"Gross Negligence/Wilful Misconduct" means any act or failure to act (whether sole, joint or concurrent) by any person or entity which was intended to cause, or which was in reckless disregard of or wanton indifference to, harmful consequences such person or entity knew, or should have known, such act or failure would have on the safety or property of another person or entity.

- (E) Except as provided in Articles 9(B) and 9(C) above, each Operator releases and shall indemnify each Anadarko Indemnitee, against any and all costs, expenses (including reasonable legal fees) and liabilities incident to claims, demands, or causes of action of every kind and character brought or instituted against such Anadarko Indemnitee by any third party in connection with, related to, or arising out of the performance (or failure to perform) the Technical Services. Each Operator shall fully defend each Anadarko Indemnitee against any such claims, demands or actions even if the same are groundless. This indemnity obligation shall apply regardless of the cause of such injury, illness, death, damage, or loss even though caused in whole or in part by a pre-existing defect, Anadarko Indemnitees' sole or concurrent negligence (either active or passive) or strict liability, or other legal fault of Anadarko Indemnitees, excluding, however, any costs, expenses and liabilities proximately caused by the Gross Negligence/Wilful Misconduct of such Anadarko Indemnitee.
- (F) For the avoidance of doubt, any indemnity given by an Operator under this Article 9 shall be for the Unit Account.
- (G) In no event shall either Operator, Anadarko, GNPC, Sabre or EO (except in the case of each such Party in respect of its Unit Interest share of any such damage or loss incurred for the Unit Account) or any of their Affiliates be held liable for any indirect, special, punitive, consequential or environmental damages or losses arising out of, or relating to, the performance or non performance of or subject matter of this Agreement, (including, without limitation, loss of production, loss of revenue, business interruption, loss of profits, loss of use or loss of business opportunity) howsoever caused and whether or not foreseeable at the Effective Date.
- (H) During the term of this Agreement, Anadarko shall carry, and maintain at its expense, insurance of the type, and with such liability limits, as may be required by law or Good Industry Practice with respect to Anadarko Personnel providing Technical Services except that, in such circumstances where Anadarko Personnel are performing Technical Services within the premises of an Operator or the Unit Account facilities, such Operator shall ensure that any insurance obtained in relation to the conduct of operations under the UOJA shall extend to the benefit of Anadarko and Anadarko

Personnel. The insurance obtained by Anadarko under this Article 9 (H) shall contain a waiver of subrogation in favour of each Operator, GNPC, Sabre and EO and their insurers but only with respect to their interest under this Agreement.

10 CONFIDENTIALITY

- (A) The Parties hereby agree that the provisions of Clause 17 of the UUOA shall apply mutatis mutandis with respect to the Parties' confidentiality undertakings related to all data and information related to the operations under the UUOA and this Agreement.
- (B) With respect to information that is not covered by the provisions of Article 10(A) above, that is disclosed by an Operator to Anadarko and to Anadarko Personnel as a consequence of performing Technical Services and that is not publicly available, Anadarko shall maintain such information as confidential unless otherwise required by the applicable law or regulation or pursuant to any legal proceedings or because of any order of any court binding upon a Party; provided that, where reasonably possible, prior to any such disclosure Anadarko provides reasonable advance written notice of the disclosure and the legal reasons for such disclosure to the Operator. Anadarko shall cause its Affiliates and Anadarko Personnel to comply with these same restrictions.

11 NON SOLICITATION OF ANADARKO PERSONNEL

Without the prior written consent of Anadarko, neither Operator shall offer employment, employ or seek to hire (other than by way of general public solicitations) from Anadarko Personnel any employee, consultant or other person involved in the provision of the Technical Services. The non-solicitation restriction set out in this Article 11 shall be valid for a period of twelve (12) months following the expiry or termination of the provision of Technical Services by such Anadarko Personnel to such Operator.

12 INTELLECTUAL PROPERTY

Nothing in this Agreement confers on a Party any right, title or interest in or to any Intellectual Property belonging to any other Party which is supplied or otherwise furnished to it in connection with this Agreement. "Intellectual Property" means any right in patents, trade marks, signs, designs, trade or business names, domain names, get-up, logos, inventions, copyrights (including rights in computer software), database rights and topography rights (whether or not any of these is registered and including applications for registrations of any such thing) and all trade secrets and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of those which may subsist anywhere in the world.

13 ASSIGNMENT

- (A) Neither Operator shall assign or otherwise transfer all or any part of this Agreement without the prior written consent of Anadarko, provided that such Operator shall be entitled to assign this Agreement without consent of Anadarko to any Affiliate of such Operator to whom such Operator concurrently assigns its rights and obligations under the UUOA in accordance with Clause 7.11 thereof.
- (B) Anadarko shall not assign or otherwise transfer all or any part of this Agreement without the prior written consent of Operators, provided that Anadarko shall be entitled to assign this Agreement without consent of either Operator to any Affiliate of Anadarko.
- (C) Any purported assignment in contravention of this Article 13 shall be void.

14 TERMINATION

- (A) This Agreement shall come into full force and effect on and from the Effective Date and, unless it is terminated in accordance with this Article 14 or otherwise agreed by the Parties, shall terminate upon the Parties' mutual agreement in writing.
- (B) This Agreement may at any time be terminated on the occurrence of any of the following events:
- 1) if either Operator commits a material breach of any of its obligations hereunder or of any of the provisions hereof and fails to remedy the same within thirty (30) days of being given a written notice to do so, unless otherwise agreed between the other Operator that is not in material breach and Anadarko, such other Operator or Anadarko may terminate this Agreement by notice to the other Parties;
 - 2) if Anadarko commits a material breach of any of its obligations hereunder or of any of the provisions hereof and fails to remedy the same within thirty (30) days of being given written notice to do so, either Operator may terminate this Agreement by notice to the other Parties;
 - 3) if there is a change in legislative or fiscal regime, or in the manner in which any Governmental Authority or court interprets such regimes, which in the reasonable opinion of any Party would have a material adverse effect on such Party if performance is continued, such Party may terminate this Agreement by notice to the other Parties with immediate effect;
 - 4) if either Operator becomes insolvent, unless the non-insolvent Operator and Anadarko agree otherwise, such non-insolvent Operator or Anadarko may terminate this Agreement by notice to the other Parties with immediate effect; or
 - 5) if Anadarko becomes insolvent, either Operator may terminate this Agreement by notice to the other Parties with immediate effect.
- (C) Unless otherwise agreed to by the Parties, where an Operator ceases to be the Operator under the UUOA, unless such Operator assigns its respective rights and obligations as Operator to one of its Affiliates as provided for under Article 13 of this Agreement, this Agreement shall terminate on the date on which such Operator ceases to be the Operator under the UUOA.
- (D) Where Anadarko WCTP ceases to hold any interest under the UUOA, Anadarko may terminate this Agreement by giving at least sixty (60) days notice to both Operators.
- (E) Where Anadarko ceases to be an Affiliate of Anadarko WCTP, Anadarko may terminate this Agreement by giving at least sixty (60) days notice to both Operators.
- (F) A Party's right to terminate a Service Order shall be in accordance with the provisions set out in Article 3 of this Agreement. Subject to the payment provisions set out in Article 3(1.) and the provisions of Article 14(G) and Article 14(H), all Service Orders agreed and entered into under this Agreement shall terminate on the date on which this Agreement is terminated.
- (G) Expiry or termination of this Agreement and/or of an agreed Service Order (as the case may be) shall not affect the provisions of Article 4 (Invoices and Payment) with respect to previously accrued amounts only, Article 7 (Records and Documentation of Actual Cost), Article 8 (Faxes), Article 9

(Liability and Indemnity), Article 10 (Confidentiality), Article 11 (Non-Solicitation of Anadarko Personnel), Article 16 (Costs of Negotiation), or Article 17 (Miscellaneous).

- (II) Expiry or termination of this Agreement and/or of an agreed Service Order shall be without prejudice to any claim that any Party may have against the other arising out of this Agreement prior to such expiry.

15 CONFLICT WITH UUOA

In the event of any conflict between this Agreement and the UUOA, this Agreement shall prevail to the extent of such conflict.

16 COSTS OF NEGOTIATION

All costs incurred by any Party arising out of the negotiation, preparation and execution of this Agreement shall be borne by each such Party and, for the avoidance of doubt, shall not be charged to the Unit Account under the UUOA or as Anadarko Costs under this Agreement.

17 MISCELLANEOUS

- (A) Each Party warrants and represents to the other Parties that it has the authority, power and capacity to enter into this Agreement and that all necessary corporate actions have been taken to authorise its execution of and the carrying out of its obligations under this Agreement.
- (B) The rights, duties, obligations and liabilities of the Parties under this Agreement shall be individual, not joint or collective. It is not the intention of the Parties to create, nor shall this Agreement be deemed or construed to create, a mining or other partnership, joint venture or association or (except as explicitly provided in this Agreement) a trust. This Agreement shall not be deemed or construed to authorize any Party to act as an agent, servant or employee for any other Party for any purpose whatsoever except as explicitly set forth in this Agreement. In their relations with each other under this Agreement, the Parties shall not be considered fiduciaries except as expressly provided in this Agreement.
- (C) This Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of the Parties.
- (D) No waiver by any Party of any one or more defaults by another Party in the performance of this Agreement shall operate or be construed as a waiver of any future default or defaults by the same Party, whether of a like or of a different character. Except as 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.
- (E) There shall be no modification of this Agreement except by written consent of all Parties.
- (F) This Agreement may be executed in any number of original counterparts and each such counterpart shall be deemed an original Agreement for all purposes; provided no Party shall be bound to this Agreement unless and until all Parties have executed a counterpart. For purposes of assembling all counterparts into one document, any Party is authorized to detach the signature page from one or more counterparts and, after signature thereof by the respective Party, attach each signature page to a counterpart.

- (G) This Agreement together with the UJOA is the entire agreement of the Parties with respect to the subject matter contained herein and supersedes all prior understandings and negotiations of the Parties with respect to the matters covered in this Agreement.
- (H) If any provision of this Agreement is held to be invalid or unenforceable, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in this Agreement, but without invalidating any of the remaining provisions of this Agreement. The Parties shall then use all reasonable endeavours to replace the invalid or unenforceable provisions by a valid and enforceable substitute provision the effect of which is as close as possible to the intended effect of the invalid or unenforceable provision.
- (I) The Contracts (Rights of Third Parties) Act 1999 (the "Act") shall only apply in respect of any relief from liability, hold harmless, indemnity or benefit expressly granted to the Indemnitees and Anadarko Indemnitees under Article 9 and, without prejudice to such Article, no third party shall otherwise have any right pursuant to the Act to enforce any terms of this Agreement. The consent of a third party shall not be necessary for any amendment, rescission, variation (including any release or compromise in whole or part of any liability), novation or termination of this Agreement.
- (J) This Agreement shall be governed by, construed, interpreted and applied in accordance with the laws of England and Wales, excluding any choice of law rules which would refer the matter to the laws of another jurisdiction.
- (K) Any dispute, controversy or claim arising out of or in relation to or in connection with this Agreement or the operations carried out under this Agreement including without limitation any dispute as to the construction, validity, interpretation, enforceability or breach of this Agreement, shall be exclusively and finally settled as between the Parties by arbitration in accordance with Clause 20 of the UJOA.
- (L) Except as otherwise specifically provided, 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 addressed to such Parties as designated below. Oral communication and any written communication by electronic means (including e-mails) does not constitute notice for purposes of this Agreement, and telephone numbers for the Parties are listed below as a matter of convenience only. The originating 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. The second or any responsive notice shall be deemed delivered when received. "Received" for purposes of this Article shall mean actual delivery of the notice to the address of the Party to be notified specified in accordance with this Article. 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 at another address, by giving written notice thereof to all other Parties.

Kosmos

c/o Kosmos Energy LLC
 8176 Park Lane
 Suite 500
 Dallas, Texas 75231
 USA

Attention: Mr. J Matthews, VP & License

Copy to: Kosmos Energy Ghana HC
 Suite 409, Century Yard
 Cricket Square
 Elgin Avenue
 George Town
 Grand Cayman KY1-1209
 CAYMAN ISLANDS
 Attention: Mr. Andrew Johnson

Manager
Fax: +1 214 445 9705
Email: jmatthews@kosmosenergy.com
Telephone: +1 214 445 9709

Fax: +1 345 946 4090

Tullow
Del Mina Place
Orphan Crescent
Labone
Osu Accra, Ghana
Attention: President and General Manager,
Tullow Ghana
Fax: +233 21 768121
Email: dai.jones@tulloil.com
Telephone: +233 21 763 600


Copy to: General Counsel, Tullow Oil
plc
Fax: +44 208 994 5332
Email: graham.martin@tulloil.com
Telephone: +44 208 996 1000

Anadarko
Anadarko Petroleum Corporation
1201 Lake Robbins Drive
The Woodlands, Texas 77380 USA
Attention: Manager, Int'l Negotiations
Fax: +1 832 636-9800

Copy to: Anadarko WCTP Company
1201 Lake Robbins Drive
The Woodlands, Texas 77380 USA
Attention: Phil Bode
Fax: +1 832 636-8023

AS WITNESS this Agreement has been signed on behalf of the Parties on the day and year first above written:


Duly authorized signatory for and on behalf of Kosmos Energy Ghana HC

By: 
Name: Andy Moaman
Date: 13 July 2009

Duly authorized signatory for and on behalf of Tullow Ghana Limited

By:  
Name: PETER SLOAN Anthony 8juleto
Title: Group Legal Manager SMR LTA Counter
Date: 13 July 2009

Duly authorized signatory for and on behalf of Anadarko Petroleum Corporation

By: 
Name: D. MacLIVER
Title: V.P. OPERATIONS
Date: 13th July 2009



**APPENDIX A
TECHNICAL SERVICES AND
ANADARKO PERSONNEL
Anadarko Personnel Providing Services to Operator
for year 2009**

No.	POSITION/TITLE	Anadarko Personnel	HOURLY RATE (US Dollars)
I. FINANCIAL SERVICES			
1	Manager, Accounting		\$222
2	Assistant Treasurer		\$284
3	Intl Cash Management Supr		\$169
4	Manager, Business Planning		\$222
5	Sr Staff Financial Analyst		\$169
6	Manager, Tax		\$222
7	Finance Manager		\$222
II. GENERAL ADMINISTRATION SERVICES			
1	Sr Staff Supply Chain Representative		\$169
2	Advisor, Supply Chain		\$222
3	Contractor, Business Services		ACTUAL COST
III. OPERATIONS SERVICES			
1	Vice President, Worldwide Projects		\$494
2	Director, Geology		\$425
3	Director, Geophysics		\$425
4	Director, Operations		\$425
5	Director, Petrophysics Technology		\$328
6	Director, RCT & Peer Assist		\$328
7	Director, Resv Characterization		\$425
8	Field Services Advisor		\$222
9	Manager, Completions		\$328
10	Manager, Drilling		\$328
11	Manager, Drilling & Completions		\$425
12	Manager, Environmental Health and Safety		\$222
13	EHS Analyst		\$122
14	Manager, Marine and Facilities Tech		\$328
15	Manager, Reservoir Engineering		\$328
16	Manager Project Services		\$328
17	Area Project Services		\$244

	Advisor		
18	Sr ITS Administrator		\$169
19	Project Manager		\$328
20	Project Advisor		\$278
21	Advisor, Project Construction Engineering		\$328
22	Project Drilling Engr Advisor		\$328
23	Project Geological Advisor		\$328
24	Project Geophysical Advisor		\$328
25	Project Petrophysical Advisor		\$328
26	Project Resv Engr Advisor		\$328
27	Sr Geological Advisor		\$328
28	Sr Geophysical Advisor		\$328
29	Sr Resv Engineering Advisor		\$328
30	Sr Staff Drilling Engineer		\$231
31	Sr Staff Geologist		\$231
32	Sr Staff Reservoir Engineer		\$231
33	Sr Staff Facilities Engineer		\$231
34	Senior Geophysicist		\$172
35	Contractor, Environmental, Health and Safety		ACTUAL COST
36	Senior Construction Superintendent		\$222
37	Area Project Services Advisor		\$284
38	Project Production Chemistry Advisor		\$328
39	Senior Captain		\$222
40	Senior Aviation Technician		\$138
IV. LEGAL AND COMMERCIAL SERVICES			
1	Manager, International Commercial Development		\$284
2	Manager, International Gas Business Development		\$328
3	Sr Project Advisor, International Negotiations		\$328
4	Manager, Commercial		\$328
5	Sr Counsel		\$284

APPENDIX B

SERVICE ORDER
FORM

dated [] 20[]

under

Technical Services and Cost Reimbursement Agreement
with respect to
Unitization and Unit Operating Agreement Services and Costs

This Service Order ___ dated ___ [___] 20[], is issued in accordance with the agreement titled Technical Services and Cost Reimbursement Agreement with respect to Unitization and Unit Operating Agreement Services and Costs dated [___] 2009 by and among Tullow Ghana Limited, Kosmos Energy Ghana IIC and Anadarko Petroleum Corporation (collectively, the "Parties") (the "Master TSA"). The Parties agree to abide by the terms and conditions of the Master TSA as well as this Service Order. The terms of this Service Order shall control over any conflicting terms in the Master TSA or any other Service Order for the purposes of this Service Order only.

A. Description of Technical Services

Any capitalized terms not specifically defined herein shall have the meaning set out in the Master TSA.

Anadarko shall provide the following Technical Services on a full-time and part-time basis (based on an Hourly Rate) to _____ as _____ Operator in order to support such Operator in all areas related to Unit Operations to be carried out under the UUOA:

	Technical Service	Duration
1.	Data analysis	
2.	Geological & geophysical studies and assessments	
3.	Petroleum engineering	
4.	Reservoir engineering	
5.	Field and production management	
6.	International marketing of crude oil and sales	
7.	E&P operations finance, planning	
8.	Tax and legal	
9.	Information systems; and	
10.	Human resources.	

B. Term of the Service Order

Services to be provided from _____ through to _____ ; unless otherwise amended or terminated in accordance with the terms of the Master TSA.

C. Personnel Providing Services

No.	POSITION/TITLE	Anadarko Personnel	HOURLY RATE (US Dollars)
I. FINANCIAL SERVICES			
1	Manager, Accounting		\$222
2	Assistant Treasurer		\$284
3	Intl Cash Management Supr		\$169
4	Manager, Business Planning		\$222
5	Sr Staff Financial Analyst		\$169
6	Manager, Tax		\$222
7	Finance Manager		\$222
II. GENERAL ADMINISTRATION SERVICES			
1	Sr Staff Supply Chain Representative		\$169
2	Advisor, Supply Chain		\$222
3	Contractor, Business Services		ACTUAL COST
III. OPERATIONS SERVICES			
1	Vice President, Worldwide Projects		\$494
2	Director, Geology		\$425
3	Director, Geophysics		\$425
4	Director, Operations		\$425
5	Director, Petrophysics Technology		\$328
6	Director, RCT & Peer Assist		\$328
7	Director, Resv Characterization		\$425
8	Field Services Advisor		\$222
9	Manager, Completions		\$328
10	Manager, Drilling		\$328
11	Manager, Drilling & Completions		\$425
12	Manager, Environmental Health and Safety		\$222
13	EHS Analyst		\$122
14	Manager, Marine and Facilities Tech		\$328
15	Manager, Reservoir Engineering		\$328
16	Manager Project Services		\$328
17	Area Project Services		\$244

18	Advisor Sr ITS Administrator		\$169
19	Project Manager		\$328
20	Project Advisor		\$278
21	Advisor, Project Construction Engineering		\$328
22	Project Drilling Ingr Advisor		\$328
23	Project Geological Advisor		\$328
24	Project Geophysical Advisor		\$328
25	Project Petrophysical Advisor		\$328
26	Project Resv Engr Advisor		\$328
27	Sr Geological Advisor		\$328
28	Sr Geophysical Advisor		\$328
29	Sr Resv Engineering Advisor		\$328
30	Sr Staff Drilling Engineer		\$231
31	Sr Staff Geologist		\$231
32	Sr Staff Reservoir Engineer		\$231
33	Sr Staff Facilities Engineer		\$231
34	Senior Geophysicist		\$172
35	Contractor, Environmental, Health and Safety		ACTUAL COST
36	Senior Construction Supintendent		\$222
37	Area Project Services Advisor		\$284
38	Project Production Chemistry Advisor		\$328
39	Senior Captain		\$222
40	Senior Aviation Technician		\$138
IV. LEGAL AND COMMERCIAL SERVICES			
1	Manager, International Commercial Development		\$284
2	Manager, International Gas Business Development		\$328
3	Sr Project Advisor, International Negotiations		\$328
4	Manager, Commercial		\$328
5	Sr Counsel		\$284

D. Third Party Engagement

There have been no third party engagements that have been requested by Operator.

The parties have executed this Service Order, in duplicate, as of the date first written above as evidenced by the following signatures

[_____]
By: _____
Name: _____
Title: _____
Date: _____

Anadarko Petroleum Corporation
By: _____
Name: _____
Title: _____
Date: _____

SERVICE ORDER NO. 1

dated 13 July, 2009

under

Technical Services and Cost Reimbursement Agreement
with respect to
Unitization and Unit Operating Agreement Services and Costs

This Service Order No. 1 dated 13 July, 2009, is issued in accordance with the agreement titled Technical Services and Cost Reimbursement Agreement with respect to Unitization and Unit Operating Agreement Services and Costs dated 13 July, 2009 by and among Tullow Ghana Limited, Kosmos Energy Ghana HC and Anadarko Petroleum Corporation (collectively, the "Parties") (the "Master TSA"). The Parties agree to abide by the terms and conditions of the Master TSA as well as this Service Order. The terms of this Service Order shall control over any conflicting terms in the Master TSA or any other Service Order for the purposes of this Service Order only.

A. Description of Technical Services

Any capitalized terms not specifically defined herein shall have the meaning set out in the Master TSA.

Anadarko shall provide the following Technical Services on a full-time and part-time basis (based on an Hourly Rate) to Unit Operator in order to support such Operator in all areas related to Unit Operations to be carried out under the UUOA:

	Technical Service	Duration
1.	Data analysis	To 31 December 2010
2.	Geological & geophysical studies and assessments	To 31 December 2010
3.	Petroleum engineering	To 31 December 2010
4.	Reservoir engineering	To 31 December 2010
5.	Field and production management	To 31 December 2010
6.	International marketing of crude oil and sales	To 31 December 2010
7.	E&P operations finance, planning	To 31 December 2010
8.	Tax and legal	To 31 December 2010
9.	Information systems	To 31 December 2010
10.	Human resources; and	To 31 December 2010
11.	Field and production management with respect to Production Chemistry, Flow assurance and related issues.	To 31 December 2010

B. Term of the Service Order

Services to be provided from the date hereof through to 31 December, 2010; unless otherwise amended or terminated in accordance with the terms of the Master TSA. The foregoing provisions of this Paragraph B shall be without prejudice to Anadarko's right to review and amend the Hourly Rates provided for in Paragraph C below, as set forth in Article 3(F) of the Master TSA.

C. Personnel Providing Services

No.	POSITION/TITLE	Anadarko Personnel	HOURLY RATE (US Dollars)
I. FINANCIAL SERVICES			
1	Manager, Accounting	Darrel Havill	\$197
2	Assistant Treasurer	Steve Foster, Randy Tonnesen, Jeremy Smith	\$366 \$269
3	Intl Cash Management Supr	Bernard Clark	\$166
4	Manager, Business Planning	John Sui Tit Tong	\$269
5	Sr Staff Financial Analyst	Ximena De La Puente	\$166
6	Manager, Tax	Jana Pair	\$269
7	Accounting Supervisor	Phillip Bode	\$166
II. GENERAL ADMINISTRATION SERVICES			
1	Contractor, Business Services	Lina Jerrols	ACTUAL COST
III. OPERATIONS SERVICES			
1	Vice President, Worldwide Projects	Don Vardeman	\$488
2	Director, Geology	Martin Evans	\$416
3	Director, Geophysics	Roger Reagan	\$416
4	Director, Operations	Jeff Dunstone	\$416
5	Director, Petrophysics Technology	Thuy Rocque	\$331
6	Director, RCT & Peer Assist	Dean Hennings	\$331
7	Director, Resv Characterization	P.K. Pande	\$416
8	Field Services Advisor	John Moss	\$197
9	Manager, Completions	David Bump	\$331
10	Manager, Drilling	Tim Tirla, Pat Watson	\$331
11	Manager, Drilling & Completions	Todd Durkee	\$416
12	Manager, Environmental Health and Safety	Steve Freemyer	\$263
13	EHS Analyst	Heather Fair	\$106
14	Manager, Reservoir Engineering	David O'Brien Glenn Fox	\$416 \$331
15	Area Project Services Advisor	Pedro Marmol, Rob Miesen	\$269
16	Project Drilling Engr Advisor	Bob Gregory, Edward Van Dike	\$331

17	Project Geological Advisor	John Kamm, Tom Griffith, Allen Brown, Bernard Schwartz	\$331
18	Project Geophysical Advisor	Chip Oudin, Kevin Martindale, David Sixta, C.D. Smith	\$331
19	Project Petrophysical Advisor	Samire Abueita	\$331
20	Project Resv Engr Advisor	Calvin Yao, Chris Camden	\$331
21	Sr Geological Advisor	Harry Dombicki, John Meredith	\$331
22	Sr Geophysical Advisor	Tom Schultz, Philip Towle	\$331
23	Sr Resv Engineering Advisor	Doug Jordan, Charles Ohaeri	\$331
24	Sr Staff Drilling Engineer	Ade Adeleye	\$225
25	Sr Staff Geologist	Bret Dixon	\$225
26	Sr Staff Reservoir Engineer	Walt Dobbs	\$225
27	Senior Geophysicist	Michelle Abraham	\$225
28	Contractor, Environmental, Health and Safety	Terry Thoem	ACTUAL COST
29	Senior Construction Superintendent	Michael Lemker	\$269
30	Project Production Chemistry Advisor	Bayram Kalpakci	\$331
31	Senior Captain	Reid Golden	\$291
32	Senior Aviation Technician	Jeff Loring	\$172
33	Senior Staff Analyst	Chuck Young	\$166
IV. LEGAL AND COMMERCIAL SERVICES			
1	Manager, International Commercial Development	Thomas Pielech, Rob Scott	\$269
2	Manager, International Gas Business Development	Brad Defenbaugh	\$331
3	Sr Project Advisor, International Negotiations	Paul Feldman	\$331
4	Sr Counsel	Rand Sterling	\$269

D. Third Party Engagement

There have been no third party engagements that have been requested by Unit Operator.

The parties have executed this Service Order, in duplicate, as of the date first written above as evidenced by the following signatures

Tullow Ghana Limited

By: Peter Sloan
Name: PETER SLOAN
Title: GROUP LEGAL MANAGER
Date: 13 JULY 2009

Anthony Nye
ANTHONY NYE
SNR LEGAL COUNSEL

Anadarko Petroleum Corporation

By: D. MacLIVER
Name: D. MACLIVER
Title: V.P. OPERATIONS
Date: 13 JULY 2009




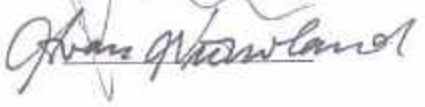

FORM OF CERTIFICATE OF INCUMBENCY AND AUTHORITY

This certificate is made by the undersigned, the duly authorized Directors of **Tullow Ghana Limited** (the "Company"), a company incorporated and existing under the laws of Jersey, pursuant to and in connection with the execution of:

- 1) First Amendment to the Joint Operating Agreement in respect of the West Cape Three Points Block Offshore Ghana dated 22 July 2004 between the Company, Tullow Ghana Limited ("**Tullow**"), Kosmos Energy Ghana HC ("**Kosmos**"), Sabre Oil & Gas Holdings Limited ("**Sabre**") and KG Group Limited ("**KG Group**") (the "**First Amendment to WCTP JOA**");
- 2) Second Amendment to the Joint Operating Agreement in respect of the Deepwater Tano Contract Area, Offshore Ghana dated 15 August 2006 between the Company, Tullow, Kosmos and Sabre (the "**Second Amendment to Deepwater Tano JOA**"); and
- 3) Unitization and Unit Operating Agreement between the Company, Ghana National Petroleum Corporation, Tullow, Kosmos, Sabre and KG Group (the "**UUAO**").

The undersigned, the duly authorized Assistant Secretary of the Company, hereby certifies on behalf of the Company and not individually, that:

- a) any two of the persons whose name and signature appear below are authorized to execute, on behalf of the Company, the First Amendment to WCTP JOA, the Second Amendment to Deepwater Tano JOA and the UUAO and all other documents and instruments appropriate and required therein to be executed in connection therewith; and
- b) the specimen signatures set opposite their names and title appearing below are their true and correct signatures;

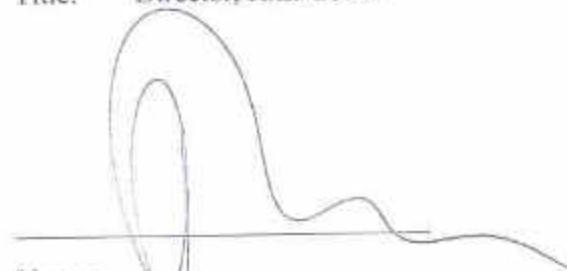
<u>Name</u>	<u>Title</u>	<u>Specimen Signature</u>
(1) <u>Robert Geens</u>	Director	
(2) <u>Anthony Driessen</u>	Director	_____
(3) <u>Arend van Nieuwland</u>	Director	
(4) <u>Graham Martin</u>	Director	_____
(5) <u>William Torr</u>	Director	_____
(6) <u>Dai Jones</u>	President & General Manager	_____
(7) <u>Stuart Wheaton</u>	Ghana Development Manager	_____
(8) <u>William Cox</u>	Ghana Commercial Manager	_____
(9) <u>Anthony Djokoto</u>	Senior Legal Advisor – Ghana	
(10) <u>Peter Sloan</u>	General Counsel Africa Region	

- c) the execution and delivery thereof are not prohibited by, or in any manner restricted by, the terms of said Company's Memorandum and Articles of Association, or any agreement to which said Company is a party or under which it is bound; and
- d) attached hereto as "*Exhibit A*" is a certificate of good standing, issued by the Jersey Financial Services Commission attesting to the fact that the Company is valid, existing and in good standing as a Jersey entity.
- e) in connection with the First Amendment to WCTP JOA, the Second Amendment to Deepwater Tano JOA and the UUOA (the "*Ghana Transaction Agreements*") attached hereto as "*Exhibit B*" is a certified copy of the minutes of a meeting of the board of directors of the Company, setting out resolutions authorizing the company to execute and deliver such Ghana Transaction Agreements and all other documents and instruments appropriate or required therein to be executed in connection therewith; and

IN WITNESS WHEREOF, the undersigned has hereunto executed this Certificate of Incumbency and Authority on this ___ day of March, 2009.



Name:
Title: Director, R.L. Geens



Name:
Title: Director, A.E. Driessen



● NautaDutilh

Seen by me, Jeroen Herman Joseph Prëller, civil law notary in Rotterdam, the Netherlands, for legalisation of the signatures of:

- Mr. Robert Leonardus Geens, born in 's-Gravenhage, the Netherlands, on 7 March 1944; and
- Mr. Anthony Edward Driessen, born in Heerlen, the Netherlands, on 4 May 1937.

Signed in Rotterdam, the Netherlands, on 30 March 2009.



A handwritten signature in blue ink, consisting of a large, rounded loop with a small flourish at the bottom left.

POWER OF ATTORNEY

WE, TULLOW GHANA LIMITED (the "Company"), a company incorporated in Jersey with our registered office situated at Channel House, 7 Esplanade, St Helier, JE4 5UW, Jersey JE4 5UW;

CONSIDERING THAT it is proposed that we enter into the following contracts (the "Instruments") for the development of the Jubilee Field Offshore the Republic of Ghana:-

1. First Amendment to the Joint Operating Agreement in respect of the West Cape Three Points Block Offshore Ghana dated 22 July 2004 between the Company, Tullow Ghana Limited ("**Tullow**"), Kosmos Energy Ghana HC ("**Kosmos**"), Sabre Oil & Gas Holdings Limited ("**Sabre**") and KG Group Limited ("**KG Group**") (the "**First Amendment to WCTP JOA**");
2. Second Amendment to the Joint Operating Agreement in respect of the Deepwater Tano Contract Area, Offshore Ghana dated 15 August 2006 between the Company, Tullow, Kosmos and Sabre (the "**Second Amendment to Deepwater Tano JOA**"); and
3. Unitization and Unit Operating Agreement between the Company, Ghana National Petroleum Corporation, Tullow, Kosmos, Sabre and KG Group (the "**UUOA**"),

(the First Amendment to WCTP JOA, the Second Amendment to Deepwater Tano JOA and the UUOA being together the "Instruments").

NOW THEREFORE WE HEREBY APPOINT any two of the persons noted in the Schedule hereto to be our Attorney and authorised signatory for the purposes of taking any and all of the following actions in our name and on our behalf:-:

- (i) to agree such further amendments to the Instruments (or any of them) as the Attorney may consider necessary;
- (ii) to sign the Instruments (or any of them) with any such amendments as the Attorney may consider necessary;
- (iii) to sign any agreement, side letter or other document, give assurances and generally to do all such other acts and things as may appear to the Attorney in his sole discretion to be reasonably required in connection with or to give effect to the Instruments (or any of them).

AND we hereby undertake to ratify and confirm whatsoever our Attorney shall lawfully do or cause to be done by virtue of this Power of Attorney.

AND we hereby declare that this Power of Attorney shall remain valid for one (1) year from the date hereof after which it shall automatically expire unless renewed.

THIS Power of Attorney shall be governed by and construed in accordance with the laws of England.

IN WITNESS WHEREOF the Company has executed this Power of Attorney as a Deed at on the day of 2009.


.....
Director, R.L. Geens


.....
Director, A.E. Driessen



SCHEDULE 1

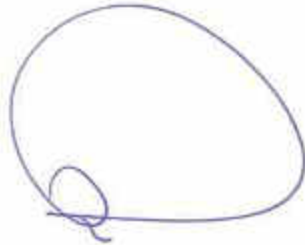
Name of Attorney (s)	Nationality	Address	Passport No
Dai Jones President & General Manager, Tullow Ghana	British	26 Fourth Circular Road Cantonments Accra Ghana	093071165
Stuart Wheaton Ghana Development Manager	British	Charter House Batts Lane Pulborough West Sussex RH20 2ED	456181786
William Cox Ghana Commercial Manager	British	10 Woodhall Gardens London SE21 7HJ	108907408
Peter Sloan General Counsel – Africa Region	British	9 Constant Close Ruyteplaats Estate Hout Bay 7806 South Africa	762144489
Anthony Djokoto Senior Legal Advisor - Ghana	Ghanaian	Plot Number 115 West Adenta Accra Ghana	H1957966

● **NautaDutilh**

Seen by me, Jeroen Herman Joseph Preller, civil law notary in Rotterdam, the Netherlands, for legalisation of the signatures of:

- Mr. Robert Leonardus Geens, born in 's-Gravenhage, the Netherlands, on 7 March 1944; and
- Mr. Anthony Edward Driessen, born in Heerlen, the Netherlands, on 4 May 1937.

Signed in Rotterdam, the Netherlands, on 30 March 2009.



CERTIFICATE OF INCUMBENCY AND AUTHORITY

This certificate is made by the undersigned, the duly authorized Vice President of **KOSMOS ENERGY GHANA HC** (the "Company"), a company incorporated and existing under the laws of the Cayman Islands, pursuant to and in connection with the execution of:

- 1) First Amendment to the Joint Operating Agreement in respect of the West Cape Three Points Block Offshore Ghana dated 22 July 2004 entered into on ~~June~~ ^{July} 13, 2009 between the Company, Tullow Ghana Limited ("Tullow"), Anadarko WCTP Company ("Anadarko"), Sabre Oil & Gas Holdings Limited ("Sabre") and ~~KG~~ ^{GO} Group Limited ("~~KG~~ ^{GO} Group") (the "First Amendment to WCTP JOA");
- 2) Second Amendment to the Joint Operating Agreement in respect of the Deepwater Tano Contract Area, Offshore Ghana dated 15 August 2006 entered into on ~~June~~ ^{July} 13, 2009 between the Company, Tullow, Anadarko and Sabre (the "Second Amendment to Deepwater Tano JOA"); and
- 3) Unitization and Unit Operating Agreement entered into on ~~June~~ ^{July} 13, 2009 between the Company, Ghana National Petroleum Corporation, Tullow, Anadarko, Sabre and ~~KG~~ ^{GO} Group (the "UUAO").

The undersigned, the duly authorized Vice President of the Company, hereby certifies on behalf of the Company and not individually, that:

- a) the persons whose name appears below are authorized to execute, on behalf of the Company, the First Amendment to WCTP JOA, the Second Amendment to Deepwater Tano JOA and the UUAO and all other documents and instruments appropriate and required therein to be executed in connection therewith, including but not limited to the following documents: Side Agreement regarding Overhead Chargeable under UUAO, Technical Services and Cost Reimbursement Agreement, Master Secondment Agreements, Seconded Agreements, and License Agreement with GNPC with respect to certain Deepwater Tano Contract data:

<u>Name</u>	<u>Title</u>
(1) James C. Musselman	Director & President
(2) Brian F. Maxted	Director & Vice President
(3) W. Greg Dunlevy	Director & Vice President
(4) Marvin M. Garrett	Vice President
(5) William S. Hayes	Vice President & Secretary
(6) David A. Mormon	Attorney-in-fact
(7) Joseph Matthews	Attorney-in-fact

- b) the execution and delivery thereof are not prohibited by, or in any manner restricted by, the terms of said Company's Memorandum and Articles of Association, or any agreement to which said Company is a party or under which it is bound;

- c) attached hereto as "**Exhibit A**" is the company's Certificate of Good Standing, attesting to the fact that the Company is valid, existing and in good standing as a Cayman Islands entity; and
- d) attached hereto as "**Exhibit B**" is a certified copy of the unanimous written resolutions of the board of directors of the Company, authorizing the company to execute and deliver (1) the First Amendment to WCTP JOA and all other document and instruments appropriate or required therein to be executed in connection therewith, (2) the Second Amendment to Deepwater Tano JOA and all other document and instruments appropriate or required therein to be executed in connection therewith, and (3) the UUOA and all documents and all other document and instruments appropriate or required therein to be executed in connection therewith.

IN WITNESS WHEREOF, the undersigned has hereunto executed this Certificate of Incumbency and Authority on this 12 day of June, 2009.



Name: Marvin M. Garrett
Title: Vice President

I, Jan Hitchborn, the 2nd Assistant Secretary of the Company, hereby certify, on behalf of the Company and not individually, that Marvin M. Garrett has been duly elected or appointed, duly qualified, and this day is the Vice President of the said Company and that the signature above is his true and genuine signature.

IN WITNESS WHEREOF, I have hereunto set my hand as 2nd Assistant Secretary of the Company this 12 day of June, 2009.



Name: Jan Hitchborn
Title: 2nd Assistant Secretary

Certificate Of Good Standing

HL-135710

TO WHOM IT MAY CONCERN

I DO HEREBY CERTIFY that

Kosmos Energy Ghana HC

a company duly organized and existing under and by virtue of the Laws of The Cayman Islands is at the date of this certificate in Good Standing with the office, and duly authorized to exercise therein all the powers vested in the company.

Given under my hand and Seal at George Town in the Island of Grand Cayman this 27th day of January Two Thousand Nine


An Authorised Officer,
Registry of Companies,
Cayman Islands.



CERTIFIED TO BE A TRUE COPY OF THE ORIGINAL

Signature: *William S. Hayes*

Name: William S. Hayes

Date: 27 APRIL 09

Exhibit B

UNANIMOUS WRITTEN RESOLUTIONS of the DIRECTORS of KOSMOS ENERGY GHANA HC (the "Company") passed pursuant the Articles of Association of the Company.

1. Unitization Approvals

NOTED that the Company, Tullow Ghana Limited, a company existing under the laws of Jersey, Channel Islands ("Tullow"); Anadarko WCTP Company, a company existing under the laws of the Cayman Islands ("Anadarko"); and Sabre Oil & Gas Holdings Limited, a company existing under the laws of the British Virgin Islands ("Sabre") or their predecessors-in-interest have entered into a Petroleum Agreement with the government of the Republic of Ghana (the "Government") and Ghana National Petroleum Corporation, a public corporation existing under the laws of the Republic of Ghana ("GNPC") dated March 10, 2006 covering certain areas located in the Deepwater Tano Contract Area in offshore Ghana;

NOTED that the Company, Tullow, Anadarko, Sabre and EO Group Limited, a company existing under the laws of the Cayman Islands ("EO Group") or their predecessors-in-interest entered into a Petroleum Agreement with the Government and GNPC dated July 22, 2004 covering certain areas located in the West Cape Three Points Block (WCTP) in offshore Ghana; and

NOTED that the Company and other parties to the above-recited Petroleum Agreements desire to define their respective rights and obligations with respect to the development and operation of certain areas within the areas covered by Petroleum Agreements on a unitized basis.

NOTED that the Company, Tullow, Anadarko, Sabre and EO Group together with GNPC desire to enter into a Unitization and Unit Operating Agreement setting forth the terms in which the Jubilee field will be exploited and developed as a single unit.

RESOLVED that any Director, Officer or Attorney in Fact of the Company, in each case acting jointly or alone, be and is hereby authorised to execute and deliver the First Amendment to the Joint Operating Agreement in respect of the West Cape Three Points Block Offshore Ghana dated 22 July 2004 between the Company, Tullow, Anadarko, Sabre and EO Group, and all other documents and instruments appropriate or required therein to be executed in connection therewith, including but not limited to the following documents: Side Agreement regarding Overhead Chargeable under UUOA; Technical Services and Cost Reimbursement Agreement, Master Secondment Agreements, Seconded Agreements, and License Agreement with GNPC with respect to certain Deepwater Tano Contract data;

CERTIFIED TO BE A TRUE
COPY OF THE ORIGINAL

Signature: Mr. S. K. Kyei

Name: Mr. S. K. Kyei

Date: 21 April 2009

FURTHER RESOLVED that any Director, Officer or Attorney in Fact of the Company, in each case acting jointly or alone, be and is hereby authorised to execute and deliver the Second Amendment to the Joint Operating Agreement in respect of the Deepwater Tano Contract Area, Offshore Ghana dated 15 August 2006 between the Company, Tullow, Anadarko and Sabre, and all other documents and instruments appropriate or required therein to be executed in connection therewith; and

FURTHER RESOLVED that any Director, Officer or Attorney in Fact of the Company, in each case acting jointly or alone, be and is hereby authorised to execute and deliver the Unitization and Unit Operating Agreement between the Company, GNPC, Tullow, Anadarko, Sabre and EO Group, and all other documents and instruments appropriate or required therein to be executed in connection therewith.

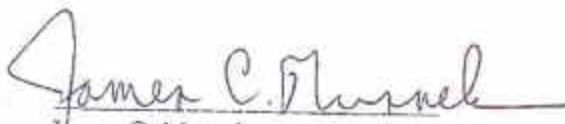
2. Ratifications of Past Actions

RESOLVED that all acts and deeds of any Director or Officer of the Company taken prior to the date hereof in order to carry out the intent and accomplish the purposes of the foregoing resolutions, in particular in relation to the unitization described therein, be and are hereby approved, adopted, ratified and confirmed in all respects as the acts and deeds of the Company.


3. Counterparts


RESOLVED that these Resolutions may be executed in counterpart and each counterpart shall be deemed to be an original and which counterparts when taken together shall constitute one and the same instrument.

Dated: April 17, 2009


James C. Musselman


Brian F. Maxted


W. Greg Dunlevy


Andrew Johnson

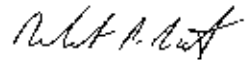
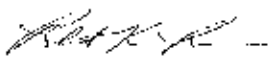
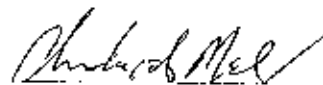
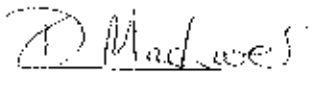

CERTIFICATE OF INCUMBENCY AND AUTHORITY
ANADARKO WCTP COMPANY

This certificate is made by the undersigned, the duly authorized Assistant Secretary of **ANADARKO WCTP COMPANY** (the "Company"), a company incorporated and existing under the laws of the Cayman Islands, pursuant to and in connection with the execution of:

- 1) First Amendment to the Joint Operating Agreement in respect of the West Cape Three Points Block Offshore Ghana dated 22 July 2004, between the Company, Tullow Ghana Limited ("Tullow"), Kosmos Energy Ghana HC ("Kosmos"), Sabre Oil & Gas Holdings Limited ("Sabre") and KG Group Limited, (successor in interest to EO Group Limited), a company existing under the laws of the Cayman Islands ("KG Group"), (the "First Amendment to WCTP JOA");
- 2) Second Amendment to the Joint Operating Agreement in respect of the Deepwater Tano Contract Area, Offshore Ghana dated 15 August 2006, between the Company, Tullow, Kosmos and Sabre (the "Second Amendment to Deepwater Tano JOA"); and
- 3) Utilization and Unit Operating Agreement, between the Company, Ghana National Petroleum Corporation, Tullow, Kosmos, Sabre and KG Group (the "UUOA").

The undersigned, the duly authorized Assistant Secretary of the Company, hereby certifies on behalf of the Company and not individually, that:

- a) the persons whose name and signature appear below are authorized to execute, on behalf of the Company, the First Amendment to WCTP JOA, the Second Amendment to Deepwater Tano JOA, the UUOA, and all other documents and instruments appropriate or required therein to be executed in connection therewith including but not limited to the following documents: Side Agreement regarding Overhead Chargeable under UUOA; Technical Services and Cost Reimbursement Agreement, Master Secondment Agreements, Seconded Agreements, Space Utilization Agreement and License Agreement with GNPC with respect to certain Deepwater Tano Contract data; and
- b) the specimen signatures set opposite their names and title appearing below are their true and correct signatures;

<u>Name</u>	<u>Title</u>	<u>Specimen Signature</u>
(1) <u>Robert P. Daniels</u>	Director & Senior Vice President	
(2) <u>Robert K. Reeves</u>	Director & Senior Vice President	
(3) <u>Charles A. Meloy</u>	Director & Senior Vice President	
(4) <u>Donald H. MacLiver</u>	Vice President	
(5) <u>Charles E. Provost</u>	Vice President	

- c) the execution and delivery thereof are not prohibited by, or in any manner restricted by, the terms of said Company's Memorandum and Articles of Association, or any agreement to which said Company is a party or under which it is bound; and
- d) attached hereto as "*Exhibit A*" is the company's Certificate of Good Standing, attesting to the fact that the Company is valid, existing and in good standing as a Cayman Islands entity.
- e) in connection with the Second Amendment to Deepwater Tano JOA,; attached hereto as "*Exhibit B*" is a certified copy of the unanimous written resolutions of the board of directors of the Company, authorizing the company to execute and deliver such Second Amendment to Deepwater Tano JOA and all other document and instruments appropriate or required therein to be executed in connection therewith; and
- f) in connection with the First Amendment to WCTP JOA; attached hereto as "*Exhibit C*" is a certified copy of the unanimous written resolutions of the board of directors of the Company, authorizing the company to execute and deliver the such First Amendment to WCTP JOA and all other document and instruments appropriate or required therein to be executed in connection therewith ; and
- g) in connection with the UUOA; attached hereto as "*Exhibit D*" is a certified copy of the unanimous written resolutions of the board of directors of the Company authorizing the Company to execute and deliver such UUOA and all other document and instruments appropriate or required therein to be executed in connection therewith .

IN WITNESS WHEREOF, the undersigned has hereunto executed this Certificate of Incumbency and Authority on this 10th day of July 2009.



Name: David L. Siddall
Title: Assistant Secretary

I, Bruce W. Busmire, the Vice President and Treasurer of the Company hereby certifies, on behalf of the Company and not individually, that David L. Siddall has been duly elected or appointed, duly qualified, and this day is the Assistant Secretary of the said Company and that the signature above is his true and genuine signature.

Witness my hand this 10th day of July 2009.



Name: Bruce W. Busmire
Title: Vice President and Treasurer

UNANIMOUS WRITTEN RESOLUTIONS OF THE BOARD OF DIRECTORS OF
ANADARKO WCTP COMPANY DATED THE 7th DAY OF APRIL 2009 IN RELATION TO
THE SECOND AMENDMENT TO THE DEEPWATER TANO JOA

WHEREAS, the Company, Tullow Ghana Limited, a company existing under the laws of Jersey, Channel Islands ("Tullow"), Kosmos Energy Ghana LLC, a company existing under the laws of the Cayman Islands ("Kosmos") and Sabre Oil & Gas Holdings Limited, a company existing under the laws of the British Virgin Islands ("Sabre"); or their predecessors-in-interest entered into a Petroleum Agreement with Ghana National Petroleum Corporation, a public corporation existing under the laws of the Republic of Ghana and established by Provisional National Defence Council Law 64 of 1983 ("GNPC") and the Government (represented by the Minister of Energy), dated March 10, 2006, covering certain areas located in the Deepwater Tano Contract Area in offshore Ghana (the "Deepwater Tano Contract"); and

WHEREAS, Tullow, Kosmos and Sabre; or their predecessors-in-interest entered into a Joint Operating Agreement dated August 15, 2006 in respect of the Deepwater Tano Contract Area, offshore Ghana (as amended, supplemented and novated from time to time, the "Deepwater Tano JOA"); and

WHEREAS, Tullow, Sabre Oil and Gas Limited, Kosmos and the Company, entered into a JOA Novation Agreement on September 1, 2006 to evidence the assumption by Company of an interest in the Deepwater Tano Contract and the Deepwater Tano JOA; and

WHEREAS, Tullow, Sabre Oil and Gas Limited, Kosmos and the Company entered into an Amendment to the JOA on July 18, 2007 to appoint the Company as technical operator in respect of drilling a well; and

WHEREAS, Tullow, Sabre Oil and Gas Limited, Kosmos, the Company and Sabre entered into a JOA Novation Agreement (Tano Deep) dated March 31, 2008 to evidence the assumption by Sabre of Sabre Oil and Gas Limited's interest in the Deepwater Tano Contract and the Deepwater Tano JOA; and

WHEREAS, The Jubilee field (the "Jubilee Field") extends across the boundary between the contract areas covered by the Deepwater Tano Contract and the contract area covered by the Petroleum Agreement entered into by Tullow, Kosmos, the Company, Sabre and KG Group Limited, (successor in interest to EO Group Limited), a company existing under the laws of the Cayman Islands ("KG Group"), or their predecessors-in-interest, with the Government and GNPC dated July 22, 2004 covering certain areas located in the West Cape Three Points Block, offshore Ghana; and

WHEREAS, Tullow, Kosmos, the Company, Sabre and KG Group, together with GNPC desire to enter into a Unitization and Unit Operating

EXHIBIT B

Agreement setting forth the terms on which the Jubilee field will be exploited and developed as a single unit (the "UUOA"); and

WHEREAS, the Company, together with other parties to the Deepwater Tano JOA now wish to enter into an agreement to set out certain amendments to the Deepwater Tano JOA which arise as a consequence of the UUOA.

NOW, THEREFORE, BE IT, RESOLVED, that the Company be and hereby is authorized and shall enter into, execute and deliver the Second Amendment to the Joint Operating Agreement in respect of the Deepwater Tano Contract Area Offshore Ghana (the "Second Amendment to the Deepwater Tano JOA"); and

NOW, THEREFORE, BE IT, RESOLVED, that the following persons be and are hereby authorized to execute and deliver on behalf of the Company, the Second Amendment to the Deepwater Tano JOA and all other documents and instruments appropriate or required therein to be executed in connection therewith:

Charles A. Meloy
Robert R. Reeves
Robert P. Daniels
Donald H. MacLiver
Charles E. Provost

NOW, THEREFORE, BE IT, RESOLVED, that any officer of the Company be, and each hereby is, authorized, empowered and directed to make, execute, deliver and perform, all such acts, deeds and things or cause to be made, executed, delivered and performed, all such agreements, documents, instruments and certificates in the name of and on behalf of the Company, or otherwise, as they may deem necessary, advisable or appropriate to effectuate and carry out fully the purpose and intent of the foregoing resolutions; and

NOW, THEREFORE, BE IT, RESOLVED, that any and all actions heretofore taken by any officer of the Company or any subsidiary of the Company, in connection with the foregoing resolutions be, and hereby are, ratified and approved.

UNANIMOUS WRITTEN RESOLUTIONS OF THE BOARD OF DIRECTORS OF
ANADARKO WCTP COMPANY DATED THE 7th DAY OF APRIL 2009 IN RELATION TO
THE FIRST AMENDMENT TO THE WCTP JOA

WHEREAS, Kosmos Energy Ghana IIC, a company existing under the laws of the Cayman Islands ("Kosmos") and KG Group Limited, (successor in interest to EO Group Limited), a company existing under the laws of the Cayman Islands ("KG Group"), or their predecessors-in-interest, entered into a Petroleum Agreement with the Government of the Republic of Ghana (the "Government") (represented by the Minister of Energy), and the Ghana National Petroleum Corporation, a public corporation existing under the laws of the Republic of Ghana and established by Provisional National Defence Council Law 64 of 1983 ("GNPC"), dated July 22, 2004, covering certain areas located in the West Cape Three Points Block in offshore Ghana, (as amended, supplemented and novated from time to time, the "WCTP Contract"); and

WHEREAS, Kosmos and KG Group or their predecessors-in-interest, entered into a Joint Operating Agreement dated July 22, 2004 in respect of the West Cape Three Points Block, offshore Ghana (as amended, supplemented and novated from time to time, the "WCTP JOA"); and

WHEREAS, Kosmos, KG Group, the Company, Tullow Ghana Limited, a company existing under the laws of Jersey, Channel Islands ("Tullow"), Sabre Oil and Gas Limited, or their predecessors-in-interest, entered into a JOA Novation Agreement (West Cape Three Points) dated October 2, 2006 to evidence the assumption by the Company, Tullow of an interest in the WCTP Contract and the WCTP JOA.

WHEREAS, Kosmos, KG Group, the Company, Tullow and Sabre Oil and Gas Limited or their predecessors-in-interest, entered into a Technical Operator Indemnity Agreement (West Cape Three Points) on July 18, 2007, to define the respective rights and obligations of the Company while conducting activities as technical operator; and

WHEREAS, Kosmos, KG Group, the Company, Tullow and Sabre Oil and Gas Limited entered into a JOA Novation Agreement (West Cape Three Points) dated March 31, 2008 to evidence the assumption by Sabre Oil & Gas Holdings Limited a company existing under the laws of the British Virgin Islands ("Sabre") of Sabre Oil and Gas Limited's interest in the WCTP Contract and the WCTP JOA; and

WHEREAS, Kosmos, EO Group, the Company, Tullow and Sabre entered into a Novation Agreement (West Cape Three Points Joint Operating Agreement) effective as of December 10, 2008, to evidence the assumption by KG Group Limited, a company existing under the laws of the Cayman Islands ("KG Group") of EO Group's interest in the WCTP Contract and the WCTP JOA; and

EXHIBIT C

WHEREAS, the Jubilee field (the "Jubilee Field"), extends across the boundary between the contract areas covered by the WCTP Contract and the contract area covered by the Petroleum Agreement entered into by Tullow, Kosmos, the Company and Sabre, or their predecessors-in-interest, with the Government and GNPC dated March 10, 2006 covering certain areas located in the Deepwater Tano Contract Area, offshore Ghana; and

WHEREAS, Tullow, Kosmos, the Company, Sabre and KG Group together with GNPC desire to enter into a Unitization and Unit Operating Agreement setting forth the terms on which the Jubilee Field will be exploited and developed as a single unit (the "UUA"); and

WHEREAS, the Company together with all other parties to the WCTP JOA now wish to enter into an agreement to set out certain amendments to the WCTP JOA which arise as a consequence of the UUA;

NOW, THEREFORE, BE IT, RESOLVED, that the Company be and hereby is authorized and shall enter into and shall execute and deliver the First Amendment to the Joint Operating Agreement in respect of the West Cape Three Points Block Offshore Ghana (the "First Amendment to WCTP JOA"); and

NOW, THEREFORE, BE IT, RESOLVED, that the following persons be and are hereby authorized to execute and deliver on behalf of the Company, the First Amendment to WCTP JOA and all other documents and instruments appropriate or required therein to be executed in connection therewith:

Charles A. Meloy
Robert R. Reeves
Robert P. Daniels
Donald H. MacLiver
Charles E. Provost

NOW, THEREFORE, BE IT, RESOLVED, that any officer of the Company be, and each hereby is, authorized, empowered and directed to make, execute, deliver and perform, all such acts, deeds and things or cause to be made, executed, delivered and performed, all such agreements, documents, instruments and certificates in the name of and on behalf of the Company, or otherwise, as they may deem necessary, advisable or appropriate to effectuate and carry out fully the purpose and intent of the foregoing resolutions; and

NOW, THEREFORE, BE IT, RESOLVED, that any and all actions heretofore taken by any officer of the Company or any subsidiary of the Company, in connection with the foregoing resolutions be, and hereby are, ratified and approved.

UNANIMOUS WRITTEN RESOLUTIONS OF THE BOARD OF DIRECTORS OF
ANADARKO WCTP COMPANY DATED THE 7th DAY OF APRIL 2009
IN RELATION TO THE EXECUTION OF THE JUBILEE FIELD
UNITISATION AND UNIT OPERATING AGREEMENT

WHEREAS, the Company, Tullow Ghana Limited, a company existing under the laws of Jersey, Channel Islands ("Tullow"), Kosmos Energy Ghana HC, a company existing under the laws of the Cayman Islands ("Kosmos") and Sabre Oil & Gas Holdings Limited, a company existing under the laws of the British Virgin Islands ("Sabre"); or their predecessors-in-interest entered into a Petroleum Agreement with Ghana National Petroleum Corporation, a public corporation existing under the laws of the Republic of Ghana and established by Provisional National Defence Council Law 64 of 1983 ("GNPC") and the Government (represented by the Minister of Energy), dated March 10, 2006, covering certain areas located in the Deepwater Tano Contract Area in offshore Ghana (the "Deepwater Tano Contract"); and

WHEREAS, the Company, Tullow, Kosmos, Sabre and KG Group Limited, (successor in interest to EO Group Limited), a company existing under the laws of the Cayman Islands ("KG Group"), or their predecessors-in-interest entered into a Petroleum Agreement with GNPC (the companies herein named being collectively referred to hereinafter as the "Parties") and the Government (represented by the Minister of Energy), dated July 22, 2004, covering certain areas located in the West Cape Three Points Block in offshore Ghana (the "WCTP Contract"); and

WHEREAS, the parties to WCTP Contract and Tano Contract have determined that a petroleum field (the Unit Interval) extends across the boundary between the two contract areas covered by the Deepwater Tano Contract and the WCTP Contract (the "Jubilee Field"); and

WHEREAS, the Company, together with Tullow, Kosmos, Sabre and KG Group entered into a Pre-Unitization Agreement effective as of February 22, 2008 which established the principal terms and conditions regarding unitization and development of the Jubilee Field pending agreement on a unitization and unit operating agreement; and

WHEREAS, the Company, together with all other respective parties to the WCTP Contract and the Deepwater Tano Contract, desire to define their respective rights and obligations with respect to their formation of the Jubilee Unit (as defined below) and development and operation of the Jubilee Field on a unitized basis by entering into that certain Unitization and Unit Operating Agreement (the "UUA") and to satisfy the requirements of the applicable Laws/Regulations with respect to unitization;

NOW, THEREFORE, BE IT, RESOLVED, that the Company approves and authorizes the submission of the Phase 1 Unit Development Plan, dated March, 2009, for development of hydrocarbons from the unit formed for the Jubilee Field (the "Jubilee Unit") to the Government; and

NOW, THEREFORE, BE IT, RESOLVED, that the Company be and hereby is authorized to enter into and shall execute and deliver the UUOA (together with the Exhibits), and all other documents and instruments appropriate or required therein to be executed in connection therewith including but not limited to the following documents: Side Agreement regarding Overhead Chargeable under UUOA; Technical Services and Cost Reimbursement Agreement, Master Secondment Agreements, Seconded Agreements, Space Utilization Agreement and License Agreement with GNPC with respect to certain Deepwater Tano Contract data; and

NOW, THEREFORE, BE IT, RESOLVED, that the following persons be and are hereby authorized to execute and deliver on behalf of the Company the UUOA and all other documents and instruments appropriate or required therein to be executed and delivered in connection therewith as described above:

Charles A. Meloy
Robert R. Reeves
Robert P. Daniels
Donald H. MacLiver
Charles E. Provost

NOW, THEREFORE, BE IT, RESOLVED, that any officer of the Company be, and each hereby is, authorized, empowered and directed to make, execute, deliver and perform, all such acts, deeds and things or cause to be made, executed, delivered and performed, all such agreements, documents, instruments and certificates in the name of and on behalf of the Company, or otherwise, as they may deem necessary, advisable or appropriate to effectuate and carry out fully the purpose and intent of the foregoing resolutions; and

NOW, THEREFORE, BE IT, RESOLVED, that any and all actions heretofore taken by any officer of the Company or any subsidiary of the Company, in connection with the foregoing resolutions be, and hereby are, ratified and approved.

CERTIFICATE OF INCUMBENCY AND AUTHORITY

This certificate is made on the 15th day of April 2009 by the undersigned, the duly authorized Secretary of Sabre Oil & Gas Holdings Ltd (the "Company"), a company incorporated and existing under the laws of the British Virgin Islands, pursuant to and in connection with the execution of:

- 1) First Amendment to the Joint Operating Agreement in respect of the West Cape Three Points Block Offshore Ghana dated 22 July 2004, among the Company, Tullow Ghana Limited ("Tullow"), Kosmos Energy Ghana HC ("Kosmos"), Anadarko WCTP Company ("Anadarko") and EO Group Limited ("EO Group"), (the "First Amendment to WCTP JOA");
- 2) Second Amendment to the Joint Operating Agreement in respect of the Deepwater Tano Contract Area, Offshore Ghana dated 15 August 2006, among the Company, Tullow, Kosmos and Anadarko (the "Second Amendment to Deepwater Tano JOA");
- 3) Unitization and Unit Operating Agreement, between the Company, Ghana National Petroleum Corporation, Tullow, Kosmos, Sabre and EO Group (the "UUOA");
- 4) Side Agreement regarding Overhead Chargeable under the UUOA, among Kosmos, Anadarko, Tullow, the Company, and EO Group (the "UUOA Side Agreement");
- 5) Data License Agreement with respect to certain Deepwater Tano Seismic Data, among Ghana National Petroleum Corporation, Tullow, Kosmos, Anadarko, the Company, and EO Group (the "License Agreement"); and
- 6) Side Letter relating to the Debenture, between the Company and BNP Paribas, as security trustee for the Finance Parties (together with the First Amendment to WCTP JOA, the Second Amendment to Deepwater Tano JOA, the UUOA, the UUOA Side Agreement and the License Agreement, the "Transaction Documents").

The undersigned, the duly authorized Secretary of the Company, hereby certifies on behalf of the Company and not individually, that:


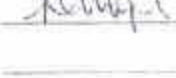
- a) the persons whose names and signatures appear below are authorized to execute, on behalf of the Company, the Transaction Documents and all documents and instruments in connection with the Transaction Documents;
- b) their respective signatures appearing below are their true and correct signatures;
- c) the execution and delivery thereof are not prohibited by, or in any manner restricted by, the terms of said Company's Memorandum and Articles of Association, or any agreement to which said Company is a party or under which it is bound; and
- d) attached hereto is a certified copy of the written consent of the board of directors of the Company authorizing the Company to execute and deliver the Transaction Documents and all documents and instruments in connection with the Transaction Documents.

<u>Name</u>	<u>Title</u>	<u>Specimen Signature</u>
(1) David Morton	Director	
(2) David Lampe	Director	_____
(3) Loughlin Kennedy	Chief Executive Officer	_____
(4) Kofi Esson	Director	_____

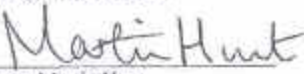
IN WITNESS WHEREOF, the undersigned has hereunto executed this Certificate of Incumbency and Authority on the date first written above.



Name: Martin Hunt
 Title: Secretary

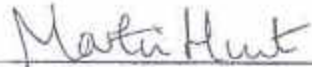
<u>Name</u>	<u>Title</u>	<u>Specimen Signature</u>
(1) David Morton	Director	
(2) David Lampe	Director	
(3) Loughlin Kennedy	Chief Executive Officer	_____
(4) Koff Eason	Director	_____

IN WITNESS WHEREOF, the undersigned has hereunto executed this Certificate of Incumbency and Authority on the date first written above.


 Name: Martin Hunt
 Title: Secretary

<u>Name</u>	<u>Title</u>	<u>Specimen Signature</u>
(1) David Morton	Director	_____
(2) David Lampe	Director	_____
(3) Loughlin Kennedy	Chief Executive Officer	
(4) Kofi Esson	Director	_____


IN WITNESS WHEREOF, the undersigned has hereunto executed this Certificate of Incumbency and Authority on the date first written above.



 Name: Martin Hunt
 Title: Secretary

<u>Name</u>	<u>Title</u>	<u>Specimen Signature</u>
(1) David Morton	Director	_____
(2) David Lampe	Director	_____
(3) Loughlin Kennedy	Chief Executive Officer	
(4) Kofi Esson	Director	_____

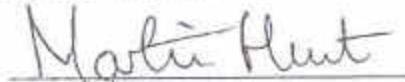
IN WITNESS WHEREOF, the undersigned has hereunto executed this Certificate of Incumbency and Authority on the date first written above.



Name: Martin Hunt
Title: Secretary

<u>Name</u>	<u>Title</u>	<u>Specimen Signature</u>
(1) David Morton	Director	_____
(2) David Lampe	Director	_____
(3) Loughlin Kennedy	Chief Executive Officer	_____
(4) Kofi Esson	Director	_____

IN WITNESS WHEREOF, the undersigned has hereunto executed this Certificate of Incumbency and Authority on the date first written above.



Name: Martin Hunt
Title: Secretary

I certify this to be a
true copy of the resolutions

Martin Hunt
Secretary
15 April 2009

SABRE OIL & GAS HOLDINGS LTD
Written Resolutions of the Board of Directors

14 April 2009

The undersigned, being a majority of the duly elected, qualified and acting members of the Board of Directors of Sabre Oil & Gas Holdings Ltd, a company formed and existing under the laws of the British Virgin Islands (the "Company"), waiving all notice, hereby consent to, approve and adopt the following resolutions without the holding of a meeting, in accordance with Article 10.9 of the Articles of Association of the Company, such resolutions to have the same force and effect as if they had been adopted at a duly called and held meeting of the Board of Directors of the Company, and hereby direct that a copy of such resolutions be filed with the minutes of the proceedings of the Board of Directors of the Company.

1. RESOLVED THAT the Unitisation and Unit Operating Agreement, among the Company, Ghana National Petroleum Corporation, Tullow Ghana Limited, Kosmos Energy Ghana HC, Anadarko WCTP Company, and EO Group Limited, a draft of which is attached hereto as Exhibit A (the "UUOA"), the Second Amendment to the Joint Operating Agreement in respect of the Deepwater Tano Contract Area, Offshore Ghana, a draft of which is attached hereto as Exhibit B (the "DT Amendment"), the First Amendment to the Joint Operating Agreement in respect of the West Cape Three Points Block Offshore Ghana, a draft of which is attached hereto as Exhibit C (the "WCTP Amendment"), the Side Agreement regarding Overhead Chargeable under the UUOA, a draft of which is attached hereto as Exhibit D (the "UUOA Side Letter"), the License Agreement with respect to certain Deepwater Tano Contract Data, a draft of which is attached hereto as Exhibit E (the "License Agreement"), and the Side Letter relating to the Debenture, a draft of which is attached hereto as Exhibit F (together with the UUOA, the DT Amendment, the WCTP Amendment, the UUOA Side Letter and the License Agreement, the "Transaction Documents"), and the transactions contemplated thereby, are expedient and in the best interests of the Company and hereby approves the form, terms and provisions of the Transaction Documents and the transactions contemplated thereby, and further with such changes therein as Kofi Esson (as a Director of the Company), David Morton (as a Director of the Company), David Lampe (as a Director of the Company), or Loughlin Kennedy (as the Chief Executive Officer of the Company) (each, an "Authorised Person") executing the same shall approve, such Authorised Person's approval to be conclusively evidenced by his execution thereof; and further
2. RESOLVED THAT the Board of Directors of the Company hereby authorises the Company to perform its obligations under the Transaction Documents; and further
3. RESOLVED THAT each Authorised Person be, and hereby is, authorised and empowered to execute and deliver the Transaction Documents, on behalf of the Company, with such changes therein as the Authorised Person executing the same shall approve, such Authorised Person's approval to be conclusively evidenced by his execution thereof; and further

4. RESOLVED THAT the Board of Directors of the Company hereby adopts, as if expressly set forth herein, the form of any and all resolutions required by any authority to be filed in connection with any applications, reports, filings, irrevocable consents to process, powers of attorney and other papers and instruments, if in the opinion of an Authorised Person executing the same, the adoption of such resolutions is necessary or advisable; and further
5. RESOLVED THAT each of Kofi Esson, Loughlinn Kennedy, David Lampe and David Morton be appointed as an attorney-in-fact of the Company, and that any director of the Company be, and hereby is, authorised and directed to execute a power of attorney appointing each of Kofi Esson, Loughlinn Kennedy, David Lampe and David Morton as an attorney-in-fact of the Company for the limited purpose of negotiating, executing and delivering the Transaction Documents in the name and on behalf of the Company (the "Power of Attorney"), in the form attached hereto as Exhibit G, with such changes therein as any Authorised Person executing the same shall approve, such Authorised Person's approval to be conclusively evidenced by his execution thereof; and further
6. RESOLVED THAT each Authorised Person and each officer of the Company is, in accordance with the foregoing resolutions, authorised and directed, in the name and on behalf of the Company, to prepare, execute and deliver any and all certificates, agreements, instruments, reports, schedules, statements, consents, documents and information and to incur all such fees and expenses as in such Authorised Person's judgment shall be necessary, appropriate or advisable with respect to the transactions contemplated by the Transaction Documents, the Power of Attorney and the foregoing resolutions, to make any filings pursuant to British Virgin Islands laws, Ghanaian laws and other foreign laws and to take all other actions that such Authorised Person deems necessary, appropriate or advisable in order to comply with the applicable laws and regulations of any jurisdiction, or otherwise to effectuate and carry out the purposes of the foregoing resolutions and to permit the transactions contemplated by the Transaction Documents, the Power of Attorney and the foregoing resolutions to be lawfully consummated, the taking of any such actions and the execution of any such agreements or other documents conclusively to evidence the due authorization thereof by the Company; and further
7. RESOLVED THAT all actions previously taken by any officer, director, representative or agent of the Company in connection with the transactions contemplated by the Transaction Documents, the Power of Attorney and the foregoing resolutions be, and each of the same hereby is, adopted, ratified, confirmed and approved in all respects as the act and deed of the Company.

Lampe

David Lampe

David Gaskell

Kofi Esson

Chris Soper

David Morton

Alan Evans

John Kennedy

David Lampe

Kofi Esson

David Morton

John Kennedy

David Gaskell

Chris Soper


Alan Evans

David Lampe

David Gaskell

Kofi Esson

Chris Soper


David Morton

Alan Evans

John Kennedy

David Lampe

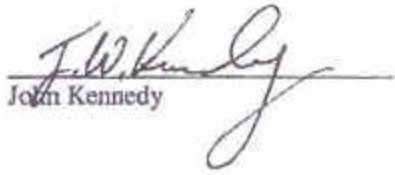
David Gaskell

Kofi Esson

Chris Soper

David Morton

Alan Evans


John Kennedy

David Lampe

Kofi Esson

David Morton

John Kennedy



David Gaskell

Chris Super



Alan Evans

David Lampe

Kofi Esson

David Morton

John Kennedy

David Gaskell

Chris Soper

Alan Evans

POWER OF ATTORNEY

This power of attorney is made on ~~14~~¹⁵ April 2009 by Sabre Oil & Gas Holdings Ltd, a company formed and existing under the laws of the British Virgin Islands with its registered office at Akara Bldg., 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands (the "Principal").

1. APPOINTMENT AND POWERS

The Principal appoints each of Kofi Esson, Loughlinn Kennedy, David Lampe and David Morton (acting separately and not jointly) as its attorney ("Attorney") and in the Principal's name or otherwise and on its behalf on or prior to 31 May 2009:

- 1.1 To consider, approve, sign, execute, deliver and issue all agreements, documents, certificates and instruments (all whether as a deed or not) which the Attorney in his absolute discretion considers desirable in connection with the transactions (the "Transaction") contemplated by the Unitisation and Unit Operating Agreement, among the Company, Ghana National Petroleum Corporation, Tullow Ghana Limited, Kosmos Energy Ghana HC, Anadarko WCTP Company, and EO Group Limited, a draft of which is attached hereto as Exhibit A (the "UUOA"), the Second Amendment to the Joint Operating Agreement in respect of the Deepwater Tano Contract Area, Offshore Ghana, a draft of which is attached hereto as Exhibit B (the "DT Amendment"), the First Amendment to the Joint Operating Agreement in respect of the West Cape Three Points Block Offshore Ghana, a draft of which is attached hereto as Exhibit C (the "WCTP Amendment"), the Side Agreement regarding Overhead Chargeable under the UUOA, a draft of which is attached hereto as Exhibit D (the "UUOA Side Letter"), the License Agreement with respect to certain Deepwater Tano Contract Data, a draft of which is attached hereto as Exhibit E (the "License Agreement"), and the Side Letter relating to the Debenture, a draft of which is attached hereto as Exhibit F (together with the UUOA, the DT Amendment, the WCTP Amendment, the UUOA Side Letter and the License Agreement, the "Transaction Documents").
- 1.2 To take any steps or do any thing which the Attorney in his absolute discretion considers desirable in connection with the implementation of the Transaction or the implementation and execution of the Transaction Documents.

2. GOVERNING LAW AND JURISDICTION

This power of attorney (and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this power of attorney, its subject matter or its formation, (including non-contractual disputes or claims)) shall be governed by and construed in accordance with the law of England and Wales. The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this power of attorney or its subject matter or formation (including non-contractual disputes or claims).

This power of attorney has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Executed as a deed by SABRE OIL
& GAS HOLDINGS LTD acting
by David Lampe, its Director


Director

POWER OF ATTORNEY

This power of attorney is made on this 7th July 2009 by Sabre Oil & Gas Holdings Ltd, a company formed and existing under the laws of the British Virgin Islands with its registered office at Akara Bldg., 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands (the "Principal").

1. APPOINTMENT AND POWERS

The Principal appoints each of Kofi Esson, Loughlin Kennedy and David Morton (acting separately and not jointly) as its attorney ("Attorney") and in the Principal's name or otherwise and on its behalf on or prior to 15 August 2009:

- 1.1 To consider, approve, sign, execute, deliver and issue all agreements, documents, certificates and instruments (all whether as a deed or not) which the Attorney in his absolute discretion considers desirable in connection with the transactions (the "Transaction") contemplated by the Unitisation and Unit Operating Agreement, among the Company, Ghana National Petroleum Corporation, Tullow Ghana Limited, Kosmos Energy Ghana HC, Anadarko WCTP Company, and EO Group Limited, a draft of which is attached hereto as Exhibit A (the "UOOA"), the Second Amendment to the Joint Operating Agreement in respect of the Deepwater Tano Contract Area, Offshore Ghana, a draft of which is attached hereto as Exhibit B (the "DT Amendment"); the First Amendment to the Joint Operating Agreement in respect of the West Cape Three Points Block Offshore Ghana, a draft of which is attached hereto as Exhibit C (the "WCTP Amendment"); the Side Agreement regarding Overhead Chargeable under the UOOA, a draft of which is attached hereto as Exhibit D (the "UOOA Side Letter"); the License Agreement with respect to certain Deepwater Tano Contract Data, a draft of which is attached hereto as Exhibit E (the "License Agreement"); and the Side Letter relating to the Debenture, a draft of which is attached hereto as Exhibit F (together with the UOOA, the DT Amendment, the WCTP Amendment, the UOOA Side Letter and the License Agreement, the "Transaction Documents").
- 1.2 To take any steps or do any thing which the Attorney in his absolute discretion considers desirable in connection with the implementation of the Transaction or the implementation and execution of the Transaction Documents.

2. GOVERNING LAW AND JURISDICTION

This power of attorney (and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this power of attorney, its subject matter or its formation, (including non-contractual disputes or claims)) shall be governed by and construed in accordance with the law of England and Wales. The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that

arises out of or in connection with this power of attorney or its subject matter or formation (including non-contractual disputes or claims).

This power of attorney has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Executed as a deed by SABRE OIL
& GAS HOLDINGS LTD acting
by David Lampe, its Director




Director

CERTIFICATE OF INCUMBENCY AND AUTHORITY

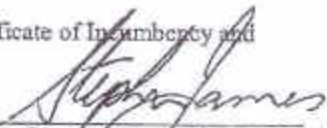
This certificate is made by the undersigned, the duly authorized Secretary of EO Group Limited (the "Company"), a company incorporated and existing under the laws of the Cayman Islands, pursuant to and in connection with the execution of the unitization and unit operating agreement between the Company and Ghana National Petroleum Corporation, Tullow Ghana Limited, Kosmos Energy Ghana HC, Anadarko WCTP Company, and Sabre Oil & Gas Holdings Limited, dated __ July 2009, (the "UUAO").

The undersigned, the duly authorized Secretary of the Company, hereby certifies on behalf of the Company and not individually, that:

- a) the person whose name and signature appears below is authorized to execute, on behalf of the Company, the UUAO and all documents and instruments in connection with the UUAO;
- b) the signature appearing below is his true and correct signature;
- c) the execution and delivery thereof are not prohibited by, or in any manner restricted by, the terms of said Company's Certificate of Incorporation, its Memorandum and Articles of Association, or any agreement to which said Company is a party or under which it is bound;
- d) attached hereto as "*Exhibit A*" is the company's Certificate of Good Standing, attesting to the fact that the Company is valid, existing and in good standing as an exempted company; and
- e) attached hereto as "*Exhibit B*" is a certified copy of the unanimous written resolutions of the directors of the Company authorizing the Company to execute and deliver the UUAO and all other documents and instruments in connection with the UUAO.

<u>Name</u>	<u>Title</u>	<u>Specimen Signature</u>
George Yaw Owusu	Director	

IN WITNESS WHEREOF, the undersigned has hereunto executed this Certificate of Incumbency and Authority on this 10th day of July, 2009.


STEPHEN JAMES AS DIRECTOR
Name: FOR AND ON BEHALF OF REID SERVICES LIMITED AS
Title: SECRETARY

I, STEPHEN JAMES ~~the~~ A DIRECTOR of REID SERVICES LIMITED hereby certify, on behalf of the Company and not individually, that REID SERVICES LIMITED has been duly elected or appointed, duly qualified, and this day is the Secretary of the said Company and that the signature above is his true and genuine signature.


Witness my hand this 10th day of July, 2009.

I certify this is a true copy
of the original document


Notary Public

10 July 09
Date




Name: STEPHEN JAMES AS
DIRECTOR FOR AND ON BEHALF OF
Title: REID SERVICES LIMITED AS
SECRETARY

**EO GROUP LIMITED
POWER OF ATTORNEY**

KNOW ALL MEN BY THE THESE PRESENTS

That EO Group Limited, an exempted company duly organized under the laws of the Cayman Islands and having its registered office at Appleby Trust (Cayman) Ltd., Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands ("Company"), does hereby make, constitute and appoint George Yaw Owusu its true and lawful Attorney-in-Fact for the Company in its place and stead, giving and granting unto its Attorney-in-Fact full power and authority to execute and deliver on behalf of the Company the Unitization and Unit Operating Agreement pertaining to the Jubilee Field, to execute and deliver on behalf of the Company the First Amendment to the Joint Operating Agreement in respect of the West Cape Three Points Block Offshore Ghana dated 22 July 2004, to execute and deliver on behalf of the Company any contracts, instruments, deeds and other closing deliverables set forth in or contemplated by the Unitization and Unit Operating Agreement and the First Amendment to the Joint Operating Agreement in respect of the West Cape Three Points Block Offshore Ghana dated 22 July 2004, and to do all lawful acts requisite for the effecting of these purposes.

This Power of Attorney may not be assigned or transferred to any other person.

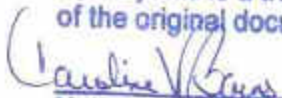
WITNESS WHEREOF, EO Group Limited has caused this instrument to be signed by its Director this 15th day of April 2009.

EO GROUP LIMITED

By: 

Name: Kwame Bawuah-Edusei, Director

I certify this is a true copy
of the original document


Notary Public

10 July 09
Date



**UNANIMOUS WRITTEN RESOLUTIONS OF THE DIRECTORS OF EO GROUP LIMITED
("COMPANY") PASSED PURSUANT TO THE ARTICLES OF ASSOCIATION OF THE COMPANY**

WHEREAS:

The Company, Anadarko WCTP Company ("Anadarko"), Kosmos Energy Ghana HC ("Kosmos"), Sabre Oil & Gas Holdings Limited ("Sabre"), and Tullow Ghana Limited ("Tullow") are parties to a Petroleum Agreement dated 22 July 2004 pertaining to the West Cape Three Points block ("WCTP Petroleum Agreement");

Anadarko, Kosmos, Sabre, and Tullow are parties to a Petroleum Agreement dated 10 March 2006 pertaining to the Deepwater Tano block ("TD Petroleum Agreement");

The parties to the WCTP Petroleum Agreement and the parties to the TD Petroleum Agreement have determined that the discovery of petroleum, known as the Jubilee Field, extends across the boundary between the contract area underlying the WCTP Petroleum Agreement and the contract area underlying the TD Petroleum Agreement, and that such discovery lies in part within each contract area; and

Such parties and the government of Ghana have agreed to unitize such discovery.

(1) Unitization and Unit Operating Agreement

RESOLVED, that the Board of Directors hereby authorizes and approves the unitization of the Jubilee Field, including the execution and delivery by the Company of the Unitization and Unit Operating Agreement substantially in the form reviewed by the Directors, and the performance by the Company of its obligations set forth in the Unitization and Unit Operating Agreement is hereby in all respects authorized and approved. Any director is hereby authorized to execute the Unitization and Unit Operating Agreement, such signature being due evidence for all purposes of the approval and acceptance of such agreement on behalf of the Company.

(2) First Amendment to WCTP Joint Operating Agreement

RESOLVED, that the Board of Directors hereby authorizes and approves the execution and delivery by the Company of the First Amendment to the Joint Operating Agreement in respect of the West Cape Three Points Block Offshore Ghana dated 22 July 2004, between the Company, Anadarko, Kosmos, Tullow and Sabre substantially in the form reviewed by the Directors ("First Amendment"), and the performance by the Company of its obligations set forth in the First Amendment is hereby in all respects authorized and approved. Any director is hereby authorized to execute the First Amendment, such signature being due evidence for all purposes of the approval and acceptance of such agreement on behalf of the Company.

(3) Related Documents

FURTHER RESOLVED, that the Board of Directors hereby authorizes and approves the execution and delivery by the Company of any contracts, instruments, deeds and other closing deliverables set forth in or contemplated by the Unitization and Unit Operating

Agreement and the First Amendment, and the performance by the Company of its obligations set forth in such other related contracts, instruments, deeds and other closing deliverables is hereby in all respects authorized and approved. Any director is hereby authorized to execute any such related contracts, instruments, deeds and other closing deliverables on behalf of the Company, such signature being due evidence for all purposes of the approval and acceptance of such documents on behalf of the Company.

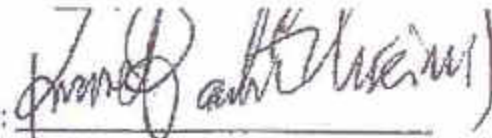
(4) **Grant of Power of Attorney**

FURTHER RESOLVED, that the Company execute a Power of Attorney substantially in the form reviewed by the Directors appointing Mr. George Yaw Owusu as it's true and lawful Attorney-in-Fact with full power and authority to sign the Unitization and Unit Operating Agreement, the First Amendment and any related contracts, instruments, deeds and other closing deliverables. Any one Director is hereby authorized to execute the Power of Attorney as a deed on behalf of the Company.

(5) **Counterparts**

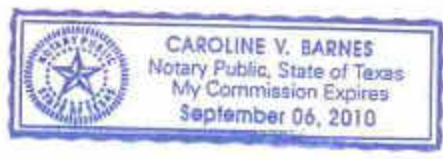
RESOLVED that these Resolutions may be executed in counterpart and each counterpart shall be deemed to be an original and which counterparts when taken together shall constitute one and the same instrument.

Date: 15th April 2009

By: 
Name: Kwame Bawuah-Edusei

By: 
Name: George Yaw Owusu

I certify this is a true copy
of the original document
Caroline Barnes 10 July 09
Notary Public Date



HL 219175

Certificate Of Good Standing

TO WHOM IT MAY CONCERN

I DO HEREBY CERTIFY that

IO GROUP LIMITED

is a company duly organized and existing under and by virtue of the Laws of The Cayman Islands is at the date of this certificate in Good Standing with the offices, and duly authorized to exercise therein all the powers vested in the company.

Given under my hand and Seal at George Town in the
Island of Grand Cayman this 10th day of July
Two Thousand Nine



[Handwritten Signature]
An Authorised Officer,
Registry of Companies,
Cayman Islands.