

Execution Version

SALE AND PURCHASE AGREEMENT

BETWEEN

CHEVRON NIGERIA LIMITED

AND

NIGERIAN NATIONAL PETROLEUM CORPORATION

OIL MINING LEASES 86 & 88

NNPC/CNL Joint Venture

Execution Date: 9 April 2021

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SALE AND PURCHASE AGREEMENT

This **SALE AND PURCHASE AGREEMENT** ("Agreement") dated 9 April, 2021 ("Execution Date")

BETWEEN

CHEVRON NIGERIA LIMITED, a company incorporated under the laws of the Federal Republic of Nigeria, with its registered office address at 2, Chevron Drive, Lekki Peninsula, Lagos State, Nigeria (hereinafter referred to as "**Seller**") which expression shall where the context so admits includes its successors-in-title and assigns of the one part;

AND

NIGERIAN NATIONAL PETROLEUM CORPORATION, a corporation established under the laws of the Federal Republic of Nigeria, with its head office at NNPC Towers, Herbert Macaulay Way, Central Business District, Garki, Abuja, Nigeria (hereinafter referred to as "**Buyer**") which expression shall where the context so admits includes its successors-in-title and assigns of the other part.

RECITALS

- A. Seller owns an undivided 40% interest in Oil Mining Lease 86 and Oil Mining Lease 88 located offshore Nigeria, as more specifically detailed in Exhibit A - Description of Assets, and Seller desires to sell, and Buyer desires to purchase, the Assets on the terms and conditions set out in this Agreement.
- B. In consideration of the mutual promises set out in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, Seller and Buyer agree to be bound by the terms of this Agreement.

AGREEMENT

1. DEFINITIONS, INTERPRETATION AND EXHIBITS

- 1.1 **Definitions.** As used in this Agreement, these words or expressions have the following meanings:

"**Acceptable Financial Standards**" means with respect to a financial institution, either of the following criteria:

- (A) That the financial institution has two of the following three financial ratings:
 - (1) a "Long-Term Issuer Default Rating" of "A" or better from Fitch Ratings Ltd.;
 - (2) a "Foreign Long-Term Issuer Credit Rating" of "A" or better by Standard & Poor's Financial Services LLC; and
 - (3) a "Long-Term Issuer Rating" of "A2" or better by Moody's Investors Service, Inc.,
- (B) That the financial institution can provide letter of credit confirmation from another financial institution that meets the criteria indicated under (A) above.

"Accounting Adjustments" means the adjustments to the Purchase Price set forth in this Agreement (including those Accounting Adjustments described in Sections 10, 12.4 and 15.2(E)), calculated in accordance with Exhibit D – Accounting Adjustments.

"Accrual Basis" means the basis of accounting under which costs and benefits are regarded as attributable to the period in which the liability for the costs is incurred, or the right to the benefits is earned, regardless of when invoiced, paid or received.

"Additional Assets" means Seller's ownership interest in all of the following, to the extent that these items are transferable and pertain to the property(s) being sold:

- (A) All Operations Contracts.
- (B) Asset Documents.
- (C) All subsisting permits, easements, rights-of-way, servitudes, surface leases, subsurface use agreements or other rights to enter upon, use and occupy the surface of the Areas, or of any areas on which any Facilities are located or of any areas to be crossed in order to gain access to the Areas or the Facilities.
- (D) All permits, authorizations, well license or other rights under which the Assets are operated.
- (E) All Data.

The term **"Additional Assets"** does not include agreements, documents or data to the extent any of the following apply:

- (A) The agreements, documents or data constitute Seller's proprietary technology or interpretations.
- (B) The agreements, documents or data are owned or licensed by third parties with contractual or legal restrictions on their deliverability or disclosure by Seller to any assignee that is not an affiliate of Seller.

"Adjusted Purchase Price" has the meaning given in Section 2.5.

"Affiliate" means any legal entity which controls, is controlled by, or is under common control with, another legal entity. An entity is deemed to "control" another if it owns directly or indirectly at least fifty percent (50%) of either of the following:

- (A) The shares entitled to vote at a general election of directors of such other entity.
- (B) The voting interest in such other entity if such entity does not have either shares or directors.

Affiliates of Seller expressly include Chevron Corporation.

"Agreement" means this Sale and Purchase Agreement, including all attached Exhibits and Schedules.

"Applicable Law(s)" means laws, regulations, statutes, codes, rules, orders, permits, policies, licenses, certifications, decrees, standards or interpretations imposed by any Government Entity that apply to this Agreement.

"Areas" means the geographical area or areas described in Exhibit A – Description of Assets.

"Asset Documents" means the agreements and documents through which the Rights to Petroleum Substances and all other rights related to the development and exploitation of the Rights to Petroleum Substances are derived, including the Leases, as set forth in Exhibit B – Asset Documents.

"Assets" means:

(A) Seller's undivided forty percent (40%) interest in all of the following:

- (1) Rights to Petroleum Substances.
- (2) Facilities.
- (3) Wells.
- (4) Assigned Petroleum Substances.
- (5) Production and Pipeline Imbalances; and

(B) Additional Assets.

The term **"Assets"** does not include any Excluded Assets identified in Exhibit A – Description of Assets.

"Assigned Petroleum Substances" means all Petroleum Substances produced and severed from, or allocable, after severance, to the Leases, Units, Wells or the Area on and after the Effective Date.

"Assignment Documents" means the documents listed in Exhibit C – Assignment Documents, in the agreed form which provides for the assignment, transfer or other conveyance of the Assets to Buyer.

"Assumed Obligations" has the meaning given in Section 13.2.

"Business Day" means a day other than Saturday or Sunday on which banks in London, New York City and Lagos are generally open for the transaction of business in Dollars.

"Buyer Account" means the Buyer's bank account with code and account number for which Buyer provides to Seller all relevant details in writing at least six (6) Business Days prior to the Closing.

"Buyer Guarantee" means the guarantee to be provided by Buyer pursuant to Section 2.4, in the form of an irrevocable letter of credit in a form acceptable to Seller and in substantially the form set out in Exhibit I-1 – Form of Letter of Credit, issued by one or more financial institutions, each of which meets the Acceptable Financial Standards.

"Buyer Parties" means Buyer, Buyer's Affiliates, and the directors, officers, employees, contractors, and representatives of each of them.

"Claim" means any claim, liability, loss, demand, damages, Encumbrance, cause of action of any kind, order, subpoena, obligation, cost, royalty, fee, assessment, duty, charge penalty, fine, judgment, interest and award (including recoverable legal counsel fees and costs of litigation of the Person asserting the Claim), whether arising by law, contract, tort, voluntary settlement or in any other manner.

"Closing" means the completion of the sale and purchase of the Assets in accordance with Section 4.

"Closing Date" means the date on which the Closing occurs, being no later than five (5) Business Days after all of the Conditions Precedent are either satisfied or properly waived, or such other date as the Parties may agree in writing prior to the Long Stop Date.

"Competition Condition" has the meaning given in Section 3.1(C).

"Conditions Precedent" has the meaning given in Section 3.1.

"Confidential Information" means (i) in respect of information disclosed by the Seller, all Data and all other agreements, documents, reports and information (including business, technical and other information), knowledge, ideas and work pertaining to the Assets that Seller has furnished or disclosed to Buyer in connection with this Agreement, or acquired by Buyer in connection with the inspection, testing, inventory or sale of the Assets, including Evaluation Material, and (ii) in respect of information disclosed by the Buyer, all information that the Buyer has furnished or disclosed to the Seller concerning the Buyer as a result of the negotiation and entering into of this Agreement.

"Co-Owner" means a party to the Asset Documents other than Seller and Buyer.

"Damages Payment" has the meaning given in Section 5.10.

"Data" means all files, records, documentation and data in possession of Seller or its Affiliates that specifically relates to Seller's ownership or rights in or describe the Assets, including any correspondence, information and reports (including the Degolyer & MacNaughton reports on reserves estimates and interpretations, raw seismic data, petroleum engineering, reservoir engineering, drilling, geological, geophysical and all other kinds of technical data and samples, well-logs) lease files, land files, wells files, division order files, title opinions and abstracts, any recent reports on environmental assessments, personal safety records, governmental filings, production reports, production logs, core materials and core sample reports and maps as such data is assembled in the normal course of business. The term "Data" does not include any of the following:

- (A) Any files, records, documentation or data that Seller may not sell, transfer or otherwise dispose of as a result of confidentiality obligations by which it is bound or which cannot be provided to Buyer because such transfer is prohibited by the agreement under which it was acquired.
- (B) Any corporate, financial, and tax records of Seller.
- (C) Seller's own engineering forecasts, evaluations and reserve estimates.
- (D) Seller's own interpretations of seismic data.

- (E) Any files, records, documentation or data that have been archived or managed pursuant to Seller's record management policies, provided that Seller shall use reasonable efforts to make available to Buyer upon request any records in Seller's possession that relate to the Assets and are required by Buyer for the purpose of responding to or defending any litigation or Claim relating to the Assets.

"Data Room Documents" means the Data, documents, correspondence, questions and answers, and other information contained in the virtual and physical datarooms, such Data Room Documents to be recorded on a DVD or portable hard drive and delivered to Buyer as soon as reasonably practicable following the Execution Date.

"Decommissioning" means and includes all of the following as may be required under the Asset Documents and the Environmental Laws:

- (A) The plugging and abandonment of all Wells, either active or inactive, situated on or in the Area, Leases or Units.
- (B) The removal, abandonment and disposal of structures, Facilities, foundations, wellheads, tanks, pipelines, flow lines, pumps, compressors, separators, heater treaters, valves, fittings, platforms and equipment and machinery of any nature and all materials contained therein, located on or used in connection with the Assets.
- (C) The clearance, restoration and remediation of the lands, groundwater and water bottoms covered or burdened by the Lease, Units, or otherwise affected by the Assets and the Remediation and complete reclamation of the sea floor portion of the Lease or Units associated with the Assets.
- (D) The removal, remediation and abatement of any Environmental Condition, including petroleum material, any contamination or pollution (including those caused by spilling, leaking, pumping, pouring, emitting, emptying, discharging, leaching, dumping, disposing or other release of any Hazardous Material, chemical substance, pollutant, contaminant, radioactive material waste, saltwater, cuttings, muds, crude oil, or petroleum product) of surface soils and water, subsurface soils, air, groundwater, or any vessel, piping, equipment, tubing or subsurface structure or strata associated with the Assets.
- (E) The removal, remediation and abatement of any petroleum material, any contamination or pollution (including spilling, leaking, pumping, pouring, emitting, emptying, discharging, leaching, dumping, disposing or other release of any chemical substance, pollutant, contaminant, toxic substance, radioactive material, hazardous substance, NORM, waste, saltwater, cuttings, muds, crude oil, or petroleum product) of surface soils and water, subsurface soils, air, groundwater, or any vessel, piping, equipment, tubing or subsurface structure or strata associated with the Assets.

"Decommissioning Obligations" means any and all existing and future liabilities, obligations or Claims relating to Decommissioning, whether incurred under this Agreement, the Asset Documents, or under any Applicable Law, treaty, convention, rule, regulation, ordinance, code, decree, injunction, criteria, guideline, directive, writ, order or judgment (including common law), and any requirement thereunder, and including any residual liability for anticipated or necessary continuing insurance, maintenance and monitoring costs.

"Decommissioning Security" means the irrevocable letter of credit in a form acceptable to Seller and in substantially the form set out in Exhibit G – Form of Decommissioning Security, issued by one or more financial institutions, each of which meets the Acceptable Financial Standards.

"Deposit" means the payment specified in Section 2.3.

"Dispute" means any claim, disagreement or controversy arising out of this Agreement, including a Claim under this Agreement and any dispute or controversy regarding the existence, construction, validity, interpretation, enforceability, termination or breach of this Agreement, whether based in contract, tort or in any other manner.

"Dollars" or **"US\$"** means United States Dollars.

"Effective Date" means the effective date of the sale of the Assets, which is 1 January 2020 as of 0:01 a.m. local time where the Assets are located.

"Encumbrances" means any charges, liens, mortgages, pledges, royalties or other security interests whatsoever, any agreement or arrangement to create any of the foregoing or any agreement or arrangement that would affect Seller's ability to freely dispose of the Assets to Buyer.

"Environment" means all forms of fauna, flora, soil, surface or subsurface waters, land, ground, surface or subsurface strata, ambient air or any other environmental medium, including the indoor environment, contained within or affected by the Assets.

"Environmental Condition" means a condition or circumstance relating to the Assets or the operation of the Assets resulting from one or more related actions, omissions, or events that exists or may exist with respect to the Environment, Wells, Facilities, procedures, or practices which is not or is alleged to be not in compliance with applicable Environmental Law, or which is subject to Remediation under Environmental Law, or which is or is alleged to be damaging or to pose an actual or potential threat to the Environment, property, natural resources, human health, welfare, or safety.

"Environmental Law" means any Applicable Law, treaty, convention, rule, regulation, ordinance, code, decree, injunction, criteria, guideline, directive, writ, order or judgment (including common law), and any requirement thereunder, relating to the Environment, natural resources, human health or safety, hazardous materials, waste material, oil, oil waste, by-products and components, naturally occurring radioactive materials (NORM), petroleum and petroleum waste, polychlorinated biphenyls, asbestos, produced water, tank bottoms, sludge, or constituents thereof, radioactive materials, pollution, contamination, noise, or vibrations, each as from time to time has been or may be amended or adopted.

"Environmental Obligations" means any and all existing and future liabilities, obligations or Claims, other than Exposure Claims, relating to Environmental Laws, Environmental Conditions, or Remediation, in each case to the extent required by Environmental Law, or subject to Remediation under Environmental Law, including any of the following:

- (A) Obligations relating to the presence, release, emission or discharge of Hazardous Materials, pollution, contaminant or other regulated substances in or into the Environment or indoor environment.
- (B) Obligations relating to investigating, testing, sampling, assessing, monitoring and remediating such Hazardous Materials, pollution, contaminant or other regulated substances as required by Environmental Law.
- (C) Obligations arising from Claims by a Person for enforcement, abandonment, restoration, plugging, decommissioning, cleanup, Remediation, removal, response or other actions or damages, contribution, indemnification, cost recovery, compensation, or injunctive relief pursuant to any demand or Claim based on Environmental Law.

"Environmental Records" means any and all records, data reports, projections, information, or materials describing Environmental Obligations, Decommissioning Obligations, or Environmental Conditions or Claims or circumstances related thereto or related to the Assets and furnished, obtained, or made available to Buyer at any time in connection with the sale of the Assets.

"Evaluation Material" means information developed by or on behalf of Buyer derived in whole or in part from the Confidential Information, including interpretations, analysis, economic evaluations, models, notes, reserve estimates, management presentations, summaries, compilations, studies, abstracts or other documents.

"Excluded Assets" means the items listed as "Excluded Assets" in Exhibit A – Description of Assets.

"Exhibit" means a document referred to in Section 1.1(A).

"Expenses" has the meaning given in Section 10.1.

"Exposure Claim" means Claims, other than Environmental Obligations, resulting from injury or death to natural Persons caused by the exposure or alleged exposure to Hazardous Materials.

"Facilities" means all of the following:

- (A) All physical assets that are used for production, mechanical separation, handling, gathering, storage, treatment, sale, disposal or other operations relating to Petroleum Substances within the Area, including all of the following:
 - (1) All buildings, structures, facilities, foundations.
 - (2) All platforms, gathering lines, gas lines, water lines, flow lines and production and storage facilities and single point mooring buoys.
 - (3) All equipment, machinery, fixtures, materials and improvements.
- (B) Any additional items, whether located within or beyond the Area, that are identified as Facilities in Exhibit A – Description of Assets.

"FCCPC" means the Nigeria Federal Competition and Consumer Protection Commission.

"Federal Competition and Consumer Protection Act, 2018" or "FCCPA" means the Federal Competition and Consumer Protection Act, 2018 of Nigeria.

"Final Settlement Statement" means that statement referred to in Section 11.2.

"Government" means the government of the Federal Republic of Nigeria.

"Government Entity" means any department, authority, ministry, commission, instrumentality or agency of the Government, any central, regional, local or municipal or other Governmental authority (including regulatory authorities and administrative bodies) and any subdivision of the foregoing or any Person owned or controlled by the Government.

"Government Official" means any officer or employee of any government (including federal, state, local, municipal and national governments, and any governmental department, agency, company or other instrumentality) or public international organization, or any political party, official or any candidate for political office.

"Hazardous Material" means any chemical substance, product, waste or other material which is, or becomes identified, listed, published, regulated, or defined as, or which shows the characteristics of, a hazardous substance, hazardous waste, hazardous material, toxic substance or other regulatory term, including oil, oil waste, by-products and components, natural occurring radioactive material (NORM), Hydrocarbons, and Hydrocarbons waste, produced water, by-products and components, polychlorinated biphenyls, and asbestos, or which is otherwise regulated or restricted under any Environmental Law, or which may otherwise cause, contribute to or result in an Environmental Obligation.

"Indemnifying Party" has the meaning given in Section 13.8(A).

"Indemnitee" has the meaning given in Section 13.8(A).

"Insurance Policies" means the insurance policies of any Seller Party through which programs of property and liability insurance coverage are presently or have previously been provided, including all employer's liability insurance policies, in respect of the Assets.

"Interim Period" means the period from and including the Effective Date until and including the Closing Date.

"Joint Operating Agreement" or "JOA" means that certain joint operating agreement relating to the Assets (and certain other assets) between Nigerian National Petroleum Corporation (NNPC) and Seller (as successor in interest to Gulf Oil Company (Nigeria) Limited) dated 25 July 1991, as amended and supplemented from time to time.

"Lease" means the lease, license, deed, operating rights, working interests, permits, authorizations, net revenue interests and mineral interest, and other documents of title as set forth in Exhibit B – Asset Documents, through which the holder is entitled to drill for, own or remove Petroleum Substances within, upon or under the Areas or through which that holder is (or is deemed to be) entitled to a share of Petroleum

Substances removed from the Areas, and includes, if applicable, all renewals and extensions of those documents and all documents issued in substitution therefore.

"LIBOR" means the rate for deposits in U.S. Dollars for a three (3) month period which appears on the display designated as the British Bankers' Association Interest Settlement Rate as quoted on the Reuters Screen LIBOR01 page for deposits in U.S. Dollars as of 11:00 a.m., London time, on the day that is two (2) London Banking Days preceding the day of determination. For the purposes of this definition, a "London Banking Day" means any day on which dealings in deposits in Dollars are transacted in the London interbank market.

"Long Stop Date" means the date which occurs eighteen (18) months after the Execution Date or such other date as the Parties may agree in writing.

"Management Presentation" means the confidential Management Presentation issued by or on behalf of Seller as part of the Data Room Documents relating to the Assets.

"Material Adverse Change" means any:

- (A) revocation, expropriation or appropriation, in whole or in part, or variation of a Lease by a Government Entity or pursuant to an order or directive of a Government Entity; or
- (B) destruction or physical loss of, or physical damage to all or part of the Assets,

which occurs after the Execution Date and prior to Closing and which was unknown and not foreseeable to the Parties at the Execution Date and that has resulted in a loss, reduction in value or direct damages to the Assets with a known or estimated net cost exceeding twenty-five per cent (25%) of the Purchase Price.

"Material Adverse Change Confirmation" has the meaning given in Section 9.3(D).

"Material Adverse Change Dispute" has the meaning given in Section 9.3(B).

"Material Adverse Change Notice" has the meaning given in Section 9.3(A).

"Material Adverse Change Dispute Notice" has the meaning given in Section 9.3(B).

"Merger Review Regulations" means the merger review regulations made pursuant to the FCCPA by the FCCPC, and which came into effect on 20 November 2020.

"NGN" means Nigerian Naira.

"NNPC/CNL Joint Venture" means the joint venture between NNPC and the Seller which is regulated by the Joint Operating Agreement and which governs the conduct of petroleum operations in the several joint properties between them, including the Assets.

"NORM" means naturally occurring radioactive materials.

"Notifying Party" has the meaning given in Section 9.3(A).

"Operations Contracts" means all contracts, agreements and documents other than Asset Documents, to the extent that they relate directly and exclusively to the operation of the Assets.

"Operator" means the operator of the Assets appointed pursuant to the relevant Asset Documents.

"Party" means each of Seller and Buyer and **"Parties"** means both of them.

"Permitted Encumbrances" means any of the following:

- (A) Encumbrances arising by operation of law, including any Claim by a Government Entity or Tax Authority arising by operation of law.
- (B) Any Encumbrance listed on Schedule 1.
- (C) The terms and conditions of any agreements with Third Parties governing the Area and operations being conducted with respect thereto, including any preferential rights of purchase or any similar restriction applicable to the Assets which prior to Closing, waivers or consents are obtained from the appropriate parties or the appropriate time period for any such rights has expired without an exercise of such rights.
- (D) Encumbrances granted or created in connection with the ordinary course of business operations relating to the Asset Documents.
- (E) Easements, rights of way, servitudes, permits, surface leases or other similar rights, provided they do not materially interfere with the operation or use of the Assets.
- (F) The right of a Government Entity to levy taxes on Petroleum Substances or the income or revenue therefrom.
- (G) Agreements for the sale of Petroleum Substances that are terminable.
- (H) Regulations and any rights reserved to or vested in any Government Entity to control or regulate any of the Assets in any manner.
- (I) Undetermined or inchoate liens incurred or created as security in connection with the development or operation of any of the Assets for Seller's share of the costs and expenses of those operations, which costs and expenses are not delinquent as of the Closing Date or liens which have expired as a matter of law.
- (J) Liens granted in the ordinary course of business to a public utility, municipality or Government Entity in respect of operations pertaining to any of the Assets.

"Petroleum Substances" means any mineral, oil, hydrocarbon or natural gas whether existing in its natural condition in strata, or in production, including gas, well gas and any condensate, but not including coal.

"Person" means any person, company, consortium, association, entity, government, independent governmental organization, or any agency or subdivision of the government.

"Preliminary Settlement Statement" has the meaning given in Section 4.4.

"Production and Pipeline Imbalances" have the meaning given in Section 12.

"Purchase Price" means the amount payable by Buyer to Seller under Section 2.2, as adjusted pursuant to Section 2.5.

"Receiving Party" has the meaning given in Section 9.3(A).

"Relevant Claim" means any Claim by Buyer against Seller, under or in connection with this Agreement, including a Warranty Claim.

"Remediation" or "Remediate" means actions taken as required by Environmental Law to address an Environmental Condition or Environmental Obligation, including any investigation, monitoring, removal, remediation, corrective action, response action, mitigation, treatment, decontamination or cleanup of Hazardous Materials, pollution or contamination present or alleged to be present in the Environment, soil, sediment, groundwater, surface water or other Environmental medium or the indoor environment.

"Repeated Warranties" means the Seller's warranties at Sections 5.1(A) – 5.1(E), 5.1(G), 5.1(H)(1) and 5.1(H)(2), which are deemed repeated as at the Closing Date pursuant to Section 5.1.

"Retained Liabilities" has the meaning given in Section 13.2(B).

"Revenues" has the meaning given in Section 10.1.

"Rights to Petroleum Substances" means Seller's interest in and to the Leases and the Units, insofar as they pertain to the Area.

"Schedule" means a document referred to in Section 1.1(B).

"Seller Account" means the Seller's bank account with the code and account number which Seller provides to Buyer all relevant details in writing at least six (6) Business Days prior to the Closing Date.

"Seller Parties" means Seller, Seller's Affiliates, and the directors, officers, employees, contractors and representatives of each of them.

"Straddle Period" means any tax year or other tax period that includes but does not begin on the Effective Date.

"Supplemental Disclosure Letter" means any letter delivered to Buyer by Seller between the Execution Date and the Closing Date, which sets out disclosures against the Repeated Warranties, together with its exhibits and appendices.

"Taxes" means (unless specifically provided otherwise) all income, capital, corporate, franchise, gross receipts, margins, turnover, production or severance, windfall profits, Transaction Taxes, other excise, ad valorem, occupation, real or personal property taxes, customs and other import or export duties, duties, fees, assessments, withholdings or other similar charges imposed by any Tax Authority, including but not limited to taxes imposed under Nigeria's Companies Income Tax Act, Petroleum Profits Tax Act, Education Tax Act, and Capital Gains Tax Act, estimated payments,

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and any penalties, interest and fines or additions attributable to or imposed on or with respect to any such assessments.

"Tax Authority" means any revenue, customs or fiscal governmental, state, community, municipal or regional authority, body or Person competent to impose, administer or collect any Taxes in connection with the Assets, this Agreement or actions contemplated by this Agreement.

"Third Party" means any Person other than Seller Parties or Buyer Parties.

"Time Value Adjustment" has the meaning given in Exhibit D – Accounting Adjustments.

"Transaction Taxes" means any sales, use, value added and goods and services tax, transfer tax, civil transaction tax, registration, stamp duty, documentary or similar tax imposed by any Tax Authority, including Taxes imposed under Nigeria's Value Added Tax Act and Stamp Duties Act, and any related penalties, fines or interest.

"Transition Period" means the period defined in the Transition Services Agreement.

"Transition Services" means all those Transition Services defined and identified in the Transition Services Agreement.

"Transition Services Agreement" means the Transition Services Agreement between Buyer and Seller to be negotiated during the Interim Period (if required) based upon the Buyer's assessment of the scope of Transition Services required.

"Units" means any unitization, pooling, communitization agreements, declarations, designations or orders relating to the Lease, and all of Seller's interest in and to the properties covered or units created thereby, to the extent attributable to the Leases.

"Warranty Claim" means any Claim by Buyer in respect of Seller's warranties pursuant to Section 5.

"Wells" means any active or inactive Petroleum Substance wells, salt water disposal wells, injection wells and other wells and wellbores, including wellheads and well equipment located on the Leases and within the Area or Units, whether or not they are producing, suspended, shut-in, abandoned or plugged to which Seller has right, title and interest as of the Effective Date.

1.2 **Interpretation.** Unless the context expressly requires an interpretation to the contrary, all of the following apply to the interpretation of this Agreement:

- (A) The plural and singular words each include the other.
- (B) The masculine, feminine and neutral genders each include the others.
- (C) The word "or" is not exclusive.
- (D) The words "includes" and "including" are not limiting.
- (E) References to the Parties include their respective successors and permitted assignees.

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- (F) References to matters "arising" (or which "arise" or "arises") "out of this Agreement" include matters which arise in connection with this Agreement or have a causal connection with or which flow from this Agreement or which would not have arisen or occurred but for the entering into this Agreement or the performance of or failure to perform obligations under this Agreement.
- (G) The headings in this Agreement are included for convenience and do not affect the construction or interpretation of any provision of, or the rights or obligations of a Party under, this Agreement.
- (H) A capitalized derivative or other variation of a defined term has a corresponding meaning and must be construed accordingly.
- (I) If a conflict exists between any provisions of this Agreement as they apply to a Party, the provision that imposes the more stringent obligation on that Party prevails to the extent of the conflict.
- (J) Where provision is made for agreement or the giving of notice, approval or consent by any Party, unless otherwise specified, such agreement, notice, approval or consent must be in writing.
- (K) References to documents being in the "agreed form" shall mean in the form of the document or draft agreed between the Parties and initialed by each Party for the purposes of identification.

13 Exhibits and Schedules.

- (A) All of the Exhibits that are attached to the body of this Agreement are an integral part of, and are incorporated by reference into, this Agreement, including:
 - (1) Exhibit A – Description of Assets.
 - (2) Exhibit B – Asset Documents.
 - (3) Exhibit C – Assignment Documents.
 - (4) Exhibit D – Accounting Adjustments.
 - (5) Exhibit E – Preliminary Settlement Statement Form.
 - (6) Exhibit F – Purchase Price Apportionment.
 - (7) Exhibit G-1 – Form of Buyer Decommissioning Security.
 - (8) Exhibit H – Seismic Data and Form of Data License.
 - (9) Exhibit I-1 – Form of Letter of Credit.
- (B) All of the Schedules that are attached to the body of this Agreement are an integral part of, and are incorporated by reference into, this Agreement, including:
 - (1) Schedule 1 – Permitted Encumbrances.

- (2) Schedule 5.1- Seller Disclosures.
- (3) Schedule 5.2- Buyer Disclosures.
- (4) Schedule 13.2(B) - Retained Liabilities
- (C) If a conflict exists between the body of this Agreement and the Exhibits or Schedules, the body of this Agreement prevails to the extent of the conflict.
- (D) If a conflict exists between this Agreement and any provision of the Assignment Documents, the provisions of this Agreement shall prevail.

2. SALE AND PURCHASE OF ASSETS

2.1 **Agreement to Sell and Purchase.** Seller agrees to sell the Assets to Buyer, and Buyer agrees to purchase the Assets from Seller, pursuant and subject to the terms and conditions of this Agreement.

2.2 **Purchase Price Amount.**

(A) Buyer shall pay to Seller the amount of:

- (1) One Hundred and Seventy-Five Million Dollars (US\$175,000,000), being the total amount for the tangible and intangible Assets as described in Exhibit F for OML 86; and
- (2) Seventy-Five Million Dollars (US\$75,000,000), being the total amount for the tangible and intangible Assets as described in Exhibit F for OML 88,

Making a total amount of Two Hundred and Fifty Million Dollars (US\$250,000,000), exclusive of any Taxes (the "Purchase Price"), adjusted as set forth in Section 2.5 as consideration for the sale of the Assets.

(B) The Purchase Price shall be paid in two (2) instalments as follows:

- (1) 15% of the Purchase Price as the Deposit;
- (2) 85% of the Purchase Price as the balance of the Purchase Price ("Purchase Price Balance") on the Closing Date

2.3 **Deposit.** Buyer shall pay a deposit to secure the performance by Buyer in the amount of 15% of the Purchase Price (the "Deposit") in the amount of Thirty-Seven Million and Five Hundred Thousand Dollars (US\$37,500,000), on or before the Execution Date. The Deposit shall not bear interest and will be credited to the Purchase Price at Closing. The Deposit is refundable only as provided in Section 9. If Buyer fails to pay the Deposit as stated above, Seller may, at its sole discretion, terminate this Agreement immediately.

2.4 **Buyer Guarantee.** On or before May 24, 2021, Buyer shall provide to Seller a Buyer Guarantee for the payment of the Purchase Price Balance in accordance with this Agreement. If Buyer fails to pay the Purchase Price Balance as stated above, Seller may, at its sole discretion, immediately draw on the Buyer Guarantee for the Purchase

Price Balance. If Buyer fails to provide the Buyer Guarantee as stated above, Seller may, at its sole discretion, immediately terminate this Agreement.

2.5 Adjustment to Purchase Price.

- (A) The Purchase Price shall be adjusted in accordance with the Accounting Adjustments set forth in Exhibit D – Accounting Adjustments, accomplished through the Preliminary Settlement Statement and the Final Settlement Statement.
- (B) The Purchase Price, as adjusted pursuant to Section 2.5(A), is the “Adjusted Purchase Price.” The Adjusted Purchase Price (along with any applicable Transaction Taxes) shall be identified in the Preliminary Settlement Statement pursuant to Exhibit E and the Final Settlement Statement pursuant to Section 11.2.
- (C) Notwithstanding anything to the contrary in this Agreement, no item taken into account in calculating an adjustment under this Agreement or interest payment will be taken into account in calculating any other adjustment or interest payment so as to result in a Party making or receiving a payment twice in respect of any such item.
- (D) No adjustments to the Purchase Price will result from any of the following:
 - (1) Actual or projected changes in production rates.
 - (2) Alternate interpretations of reserves.
 - (3) Normal wear and tear on Wells, Facilities or equipment.

2.6 Apportionment of Purchase Price.

- (A) Buyer apportioned the Purchase Price among the Assets, based on the fair market value of the Assets, as set forth in Exhibit F – Purchase Price Apportionment. Buyer and Seller agree and acknowledge such apportionment of the Purchase Price is a fair and reasonable apportionment.

The Parties are bound by the apportionment of the Purchase Price contained in Exhibit F – Purchase Price Apportionment for all purposes (including all Tax purposes), and each Party shall consistently report and submit its Tax returns to each applicable Tax Authority for all relevant years on the basis of this allocation.

- (B) Buyer shall indemnify and defend Seller pursuant to Section 13.4

2.7 Method of Payment. All payments under this Agreement shall be made in the following manner, unless otherwise agreed in writing between Seller and Buyer:

- (A) Payments shall be in Dollars.
- (B) Payments shall be made by bank wire transfer, in immediately available funds, paid without set-off, withholding or any deduction of any kind, including for any Taxes, banking, transfer or other costs or Claims.

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- (C) Payments shall be made directly into the Seller Account or Buyer Account, as appropriate.
- 2.8 **Transaction Taxes, Stamp Duties.** As set forth in Section 15.2(C), Buyer shall be responsible for any and all Transaction Taxes, including any stamp duties payable on or in respect of this Agreement, the Assignment Documents and all other documents contemplated or executed pursuant to this Agreement and the transfers and transactions contemplated thereunder. The payment of such Transaction Taxes is in addition to, and will in no way count towards, the Purchase Price or the Adjusted Purchase Price payable under this Agreement.
- 2.9 **Seismic Data License.** Buyer shall grant to Seller a non-exclusive license to use the seismic data identified on Exhibit H – Seismic Data and Form of Data License, Section 1, in substantially the form set forth in Exhibit H – Seismic Data and Form of Data License, Section 2 (the “Data License”), subject to each of the following conditions:
- (A) Buyer shall grant the Data License at no additional cost or consideration.
- (B) Buyer shall only license to Seller seismic data for which Buyer has a right to grant a license and for which Buyer is able to obtain all necessary Third Party consents and waivers within sixty (60) days after Closing without additional cost to Buyer, using reasonable commercial efforts.
- (C) The seismic data shall be licensed “AS IS, WHERE IS” with the express conditions and limitations set forth in the Data License.
- (D) Any use of such seismic data by Seller shall be at Seller's sole risk.

3. CONDITIONS PRECEDENT TO CLOSING

- 3.1 **Conditions Precedent to Both Parties' Obligation to Close.** The following are the Conditions Precedent to both Seller's and Buyer's respective obligations to consummate the transactions contemplated by this Agreement, unless waived in writing by both Parties:
- (A) The execution of the Assignment Documents by all parties to those documents other than the Parties.
- (B) The Seller obtaining the consent of the Minister of Petroleum Resources to the transfer of the Assets.
- (C) The Parties obtaining the applicable approval under the FCCPA in connection with the transactions contemplated by the Agreement (the “Competition Condition”); provided that this condition shall be deemed to be satisfied if the negative clearance pursuant to regulation 9 of the Merger Review Regulations is granted or the FCCPC advises the Parties in writing that a filing under the FCCPA is not required.
- 3.2 **Fulfillment of Conditions Precedent.**
- (A) Each Party shall, and shall procure that each of its Affiliates shall use their reasonable endeavours to satisfy the Conditions Precedent, including the execution of all such other documents, acts and things as may be reasonably

required in order to satisfy the Conditions Precedent. Each Party shall keep the other informed of its progress with regards to the satisfaction of the Conditions Precedent.

- (B) Each Party shall promptly provide to the other Party all such information and documentation concerning that Party as may be necessary to enable the other Party to prepare and submit all necessary filings required by any Government Entity in connection with the transactions contemplated by this Agreement and otherwise to satisfy the Conditions Precedent.
- (C) Buyer's obligations under Section 3.2(A) and (B) shall include providing the Seller with such assistance as the Seller may reasonably require for the purpose of satisfying the Conditions Precedent, provided that, in respect of the Condition Precedent at Section 3.1(B) the Buyer shall not be required to incur any costs associated with obtaining such consent.

3.3 Competition Matters. In addition to the Parties' obligations under Section 3.2, the following provisions shall also apply with respect to the Competition Condition:

- (A) The Buyer and Seller shall each cooperate with the other and use their reasonable endeavours to promptly take or cause to be taken all actions, and do or cause to be done all things required or necessary under this Agreement and Applicable Laws to satisfy the Competition Condition as soon as practicable, including preparing and filing promptly all documentation required by such Party to effect all necessary filings, notices, petitions, statements, registrations, submissions of information, applications and other documents.
- (B) The Buyer will promptly file (on an expedited basis) an application for negative clearance pursuant to regulation 9 of the Merger Review Regulations. If the negative clearance is not granted or the FCCPC determines that the transaction is notifiable as a merger under the FCCPA, the Buyer and Seller shall as promptly as practicable submit the applicable notifications required under the FCCPA.
- (C) Subject to Applicable Laws relating to the exchange of information, the Buyer and Seller shall each keep the other apprised of the status of matters relating to the satisfaction of the Competition Condition.
- (D) Each Party shall consult with the other Party to provide any necessary information with respect to all filings to be made with, or written materials submitted to, any Governmental Entity in connection with the satisfaction of the Competition Condition. The Parties shall promptly inform each other, and if in writing, furnish the other Party with a copy of, any communication from any Governmental Entity regarding the satisfaction of the Competition Condition, and provide the other Party with the opportunity to participate in any meeting with any Governmental Entity in respect of any filing, investigation or other inquiry in connection with the satisfaction of the Competition Condition; provided that notwithstanding anything to the contrary in this Section 3.3, the Parties shall have joint responsibility for determining and implementing the strategy for obtaining any necessary competition clearance, consents or approvals necessary to satisfy the Competition Condition (including with respect to timing and potential ways to address any concerns that may be raised) and except as contemplated in Section 3.3(B),

jointly make all submissions to, attend meetings, participate in negotiations and communications with any Governmental Entity or other party in connection with competition matters with respect to any Applicable Law, and shall do so in a manner reasonably designed to obtain any such clearance, consents or approvals to satisfy the Competition Condition prior to the Long Stop Date; provided that (i) the foregoing shall not limit in any respect any Party's obligations under this Agreement; and (ii) materials provided pursuant to this Section 3.3 may be redacted (a) as necessary to comply with contractual obligations and (b) as necessary to address reasonable privilege concerns.

- (E) Seller will reimburse to the Buyer the filing fee to the FCCPC for the negative clearance application pursuant to regulation 9 of the Merger Review Regulations up to a maximum of NGN 100,000,000 and any filing fees in excess of that amount will be shared by the Parties equally. If the negative clearance is not granted or the FCCPC determines that the transaction is notifiable as a merger, each Party shall each be responsible for and shall each pay 50% of all other fees under the FCCPA, including any filing and notification fees and if the Parties determine to file on an expedited basis, expedited review fees.

3.4 Right to Terminate for Failure to Satisfy Conditions Precedent. If any of the Conditions Precedent set forth in Section 3.1 are not satisfied by the Long Stop Date, either Party may terminate this Agreement under this Section 3.4 (provided that such Party has complied with its obligations under Section 3.2) by giving notice to the other as provided in Section 9.1. Following such termination, Seller shall have no further obligations to Buyer under this Agreement, except that the following applies:

- (A) This Section 3.4 and Section 23.5 shall continue to apply.
- (B) Buyer shall be entitled to reimbursement of the Deposit, in accordance with Section 9.2(B).
- (C) Any accrued rights that Seller may have, or liabilities that Buyer may have under this Agreement shall not be affected, except as may be provided in this Agreement.

4. CLOSING

4.1 Place of Closing.

- (A) Subject to Section 4.1(B), the Closing shall take place at 2 Chevron Drive, Lekki Peninsula, Lagos, Nigeria or such other place as the Parties may agree in writing.
- (B) Seller, in its sole discretion, may elect to conduct a remote closing by the electronic exchange of signature pages or generation of electronic signatures of documents constituting deliverables at Closing.

4.2 Date of Closing. The Closing shall occur on the Closing Date, provided it occurs prior to the Long Stop Date.

4.3 **Effective Date of Transfer.** Subject to Section 4.5, the transfer and assignment of the Assets from Seller to Buyer shall be effective as of the Effective Date, provided that the Closing occurs. Possession of the Assets shall not pass to Buyer until the Closing occurs.

4.4 **Preliminary Settlement Statement.** No later than five (5) Business Days prior to Closing, Seller shall prepare and deliver to Buyer a preliminary settlement statement (the "Preliminary Settlement Statement") that sets forth all of the following:

- (A) The Adjusted Purchase Price.
- (B) The Accounting Adjustments.
- (C) Transaction Taxes payable by Buyer to Seller for remittance to the appropriate Taxing Authority pursuant to Section 15.2(C)(3).
- (D) Any other adjustments pursuant to Section 2.5 estimated in good faith by Seller in respect of the Assets.

The Preliminary Settlement Statement shall contain reasonable estimates where actual amounts are not known at the time. As actual costs and revenues are known, these amounts shall be taken into account in the Final Settlement Statement. The Preliminary Settlement Statement shall be prepared in accordance with generally accepted accounting principles generally used in the oil and gas industry in Nigeria. Seller shall cooperate with Buyer in connection with the preparation of the Preliminary Settlement Statement and will consult with Buyer prior to delivery of the Preliminary Settlement Statement. It is the intention of the parties that the Preliminary Settlement Statement will be in materially agreed form prior to the Closing Date.

4.5 **Closing Procedure.** At Closing, the Parties shall take the following actions in the following order:

- (A) Seller shall deliver to Buyer the Assignment Documents validly executed by all the parties to those documents other than the Seller and Buyer, if applicable.
- (B) The Parties shall provide each other with copies of the consents, approvals or waivers required to be obtained by them or their respective Affiliates prior to Closing in fulfillment of the Conditions Precedent.
- (C) Each Party shall deliver to the other Party copies or, if requested, certified copies of a power of attorney or other appropriate corporate authorization authorizing the execution of this Agreement, the Assignment Documents and all other documents delivered in connection with the Closing.
- (D) Buyer shall deliver to Seller such legal opinions as Seller may reasonably require including in respect of the corporate capacity of Buyer.
- (E) Seller shall execute and deliver to Buyer the Assignment Documents.
- (F) Buyer shall execute the Assignment Documents.
- (G) Buyer shall provide the Decommissioning Security.

- (H) Seller shall deliver to Buyer a copy of any consent, permits, or approvals, required to be obtained by the Seller in respect of the Assets or assignment.
- (I) Buyer and Seller shall execute and acknowledge any such other instruments as are reasonably necessary to effectuate the transfer, sale or conveyance of the Assets to Buyer.
- (J) Seller and Buyer shall execute and deliver to each other the Transition Services Agreement, if required.
- (K) Buyer shall pay the Adjusted Purchase Price, plus any applicable Transaction Taxes, based upon the Preliminary Settlement Statement to Seller in accordance with Section 2.5.

4.6 Transfer of Title to Assets.

- (A) Title to the Assets shall not pass until the Closing occurs.
- (B) Neither Seller nor Buyer shall be obliged to complete the transfer of the Assets unless all those items set out in Section 4.5 are accomplished. This Section shall not prejudice any rights or remedies available to a Party in respect of any default by the other Party.
- (C) Once the items set out in Section 4.5 are accomplished, the Assets shall be conveyed "AS IS, WHERE IS," with warranty of title, unless otherwise specified in this Agreement, and subject to the express conditions and limitations contained in this Agreement.
- (D) The Assets to be transferred to Buyer pursuant to this Agreement shall be transferred pursuant to the Assignment Documents.

4.7 Post-Closing Procedures.

- (A) Following Closing, the Parties shall execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such instruments, and take such other action, as may be necessary or advisable to carry out their obligations under this Agreement, and under any document, certificate or other instrument delivered pursuant to this Agreement.
- (B) If applicable, Seller shall deliver to Buyer copies of any Asset Documents (at Seller's expense) and Data (provided any third party costs related to the delivery of the Data, including any license fees, will be at Buyer's expense) in the possession or control of Seller that were not delivered to Buyer prior to the Closing, no later than sixty (60) days after the Closing Date, subject to all of the following:
 - (1) Seller is not required to provide any document or Data that Seller determines, in its absolute discretion, was generated for Seller's or its Affiliates' internal purposes.
 - (2) Seller may require that Buyer execute a Data License in accordance with Section 2.9.

- (3) Seller and its Affiliates shall not be required to provide any document or Data that would cause Seller or its Affiliates to breach any confidentiality or other contractual obligations.
 - (C) Buyer shall cooperate with Seller to ensure that all pertinent operators, non-operators, oil or gas purchasers, Government Entities and royalty owners have been notified of the sale and purchase of the Assets immediately after Closing.
 - (D) Promptly after Closing, Buyer shall notify the appropriate Tax Authorities that it owns the Assets and shall promptly provide copies of such notices to Seller.
 - (E) The Parties agree that it is the duty of the Seller to file the Deed of Assignment required to obtain the consent of the Minister to the Assignment as required by Law. Buyer shall bear all costs and fees associated with such filing and recording. Seller shall supply Buyer with a true and accurate photocopy of the recorded and filed Assignment Documents within a reasonable period of time after such documents are available.
 - (F) Buyer shall be responsible for timely obtaining all consents and approvals of Government Entities customarily obtained subsequent to transfer of title and all associated costs and fees.
 - (G) If applicable, Seller shall deliver to Buyer any consents and approvals of any Government Entity customarily obtained subsequent to transfer of title.
- 4.8 **Costs and Expenses.** Seller and Buyer shall each pay their own costs and expenses in relation to the preparation, negotiation and execution of this Agreement and the documents contemplated or executed pursuant to this Agreement.
- 4.9 **Nominations and Accounting Responsibilities.** From the first day of the first production month following Closing, Seller is relieved of all responsibility for, and Buyer shall (i) bear, and commence payment of, all burdens and fees on or relating to the Assets, and (ii) perform all nomination, marketing, accounting, royalty payment, reporting, and other administrative responsibilities relating to the Assets.
- 4.10 **Removal of Signs and Markers.** Within sixty (60) days of the Closing Date, Seller shall remove its name and signs from the Wells and Facilities at Seller's cost, provided that Buyer shall provide Seller with such access to the Wells and Facilities after Closing as it required to enable Seller to do so.

5. WARRANTIES

- 5.1 **Seller Warranties.** Subject to the provisions of this Section 5 and Section 6, Seller warrants to Buyer that, except as disclosed in Schedule 5.1 – Seller Disclosures, as of the Execution Date, the following statements are accurate. The Repeated Warranties shall also be deemed repeated as at the Closing Date.
- (A) **Formation.** Seller is a company duly organized, validly existing and in good standing under the laws of the Federal Republic of Nigeria, and is duly qualified to carry out its business in Nigeria.
 - (B) **Authorization.** Seller has full corporate or company power and authority to enter into and perform this Agreement, and has taken all actions necessary to authorize its execution, delivery and performance of this Agreement and the

transactions contemplated by this Agreement have been duly and validly authorized by Seller.

- (C) **Valid and Binding Obligation.** This Agreement has been duly executed and delivered by its authorized officer or other representative and constitutes its legal, valid and binding obligation enforceable in accordance with its terms, and no consent or approval of any other Person is required in connection with its execution, delivery and performance of this Agreement.
- (D) **No Conflict with Governing Documents.** Neither this Agreement nor the performance of this Agreement constitutes a default, violation or conflict with the articles of incorporation, by-laws or governing documents of Seller.
- (E) **No Litigation or Arbitration Proceedings.** Except as disclosed in Schedule 5.1(E) – Litigation and Arbitration, Seller is not a party to any litigation or arbitration or administrative proceedings in relation to the Assets that might reasonably be expected to delay, prevent or materially hinder the consummation of the transactions contemplated hereby or materially adversely affect the title to or value of any of the Assets.
- (F) **No Brokers.** Seller is not a party to, or in any way obligated under, nor does Seller have any knowledge of, any contract or outstanding claim for the payment of any broker's or finder's fee in connection with the origin, negotiation, execution, or performance of this Agreement for which Buyer will have any liability.
- (G) **Insolvency.**
 - (1) No administrator, receiver or administrative receiver has been appointed in respect of its business.
 - (2) No order has been made and no resolution has been passed for its winding-up.
 - (3) Seller has not stopped or suspended payment of its debts or become unable to pay its debts.
 - (4) Seller has not entered into any compromise or arrangement with its creditors or any class of its creditors generally.
- (H) **Ownership.**
 - (1) Seller is the legal and beneficial holder of the Assets free from any Encumbrances (other than any Permitted Encumbrance) (excluding the marginal fields covered by the agreements described in paragraphs 2.1 and 2.2 of Schedule 1 ("Marginal Fields")).
 - (2) Subject to satisfaction of the Conditions Precedent, it is able to dispose of the Assets free from any Encumbrances (other than Permitted Encumbrances) (excluding those resulting from the sale of the two (2) Marginal Fields described above in Section 5.1(H)(1)).
 - (3) In addition to the Marginal Fields, so far as Seller is aware, the Department of Petroleum Resources has not identified any other

marginal fields, as potential fields to be taken by it for a marginal field bid round.

(I) **Operator.**

(1) No vote to remove the Seller as Operator is pending, and as far as the Seller is aware, the current Operator has not submitted a notice of resignation as Operator, nor does it intend to do so prior to Closing.

(2) So far as Seller is aware, the Operator is not in breach of the Joint Operating Agreement which would permit NNPC to remove it as Operator.

(J) **Insurance.** So far as Seller is aware, all Insurance Policies are in full force and effect and are not void or voidable and save as disclosed, no material event has occurred which might give rise to claim.

(K) **Production Imbalances.** So far as Seller is aware, the Operator's statements and Seller's estimates provided to Buyer sets forth in all material respects the estimated production imbalances for the Assets net to Seller's working interest with respect to certain wells as of the Effective Date.

(L) **Compliance with laws.** So far as Seller is aware, except for issues that have been remediated or remedied, Seller has conducted the operation of the Assets in all material respects in material compliance with all Applicable Law(s) (other than Environmental Laws), and has not received written notice from any Government Entity or regulatory authority that it is, in relation to the Assets, in material violation of, or materially in default with respect to, any statute, regulation, order, decree or a judgment of any court or Government Entity or any Applicable Law(s), except for violations that have been remediated or remedied. The warranty contained in this Section 5.1(L) does not extend to any matters with respect to Environmental Laws, which are addressed exclusively in Section 5.1(M).

(M) **Environmental Laws.** Except as disclosed in the Data Room Documents, and, except for the Retained Liabilities or issues that have been remediated or remedied, so far as Seller is aware, Seller has conducted the operation of the Assets in all material respects in material compliance with all Environmental Laws, and has not received written notice from any Government Entity or regulatory authority that it is, in relation to the Assets in material violation of, or materially in default with respect to, any statute, regulation, order, decree or a judgment of any court or Government Entity or any Applicable Law(s).

(N) **Material Agreements.** All material agreements with respect to which Seller is a party and that are material to the ownership of the Assets have been provided in the Data Room Documents and, as to such agreements, so far as Seller is aware:

(1) Seller is not in material breach or default thereunder and in the past two (2) years has not received any notice alleging such material breach or default; and

(2) no other party to any such agreements is in material breach or default with respect to its obligations thereunder.

For purposes of this Section 5.1, any Seller warranty qualified by the words "so far as Seller is aware", or any similar expression relating to the knowledge, information or awareness of Seller, shall be deemed to refer to the actual knowledge of Seller's General Manager, Joint venture operations, having made due and reasonable enquiries of direct reports having responsibilities related to the Assets but without any other obligation or duty of enquiry.

5.2 Buyer Representations and Warranties. Buyer represents and warrants to Seller that as of the Execution Date and as of the Closing Date, the following statements are accurate:

- (A) **Formation.** Buyer is a corporation duly organized, validly existing and in good standing under the laws of the Federal Republic of Nigeria and is duly qualified to carry out its business in Nigeria.
- (B) **Authorization.** Buyer has full corporate or company power and authority to enter into and perform this Agreement and has taken all actions necessary to authorize the execution, delivery and performance of this Agreement and the transactions contemplated by this Agreement have been duly and validly authorized by the shareholders and the board of directors of the Buyer.
- (C) **Valid and Binding Obligation.** This Agreement has been duly executed and delivered by its authorized officer or other representative and constitutes its legal, valid and binding obligation enforceable in accordance with its terms, and no consent or approval of any other Person is required in connection with its execution, delivery and performance of this Agreement.
- (D) **No Conflict with Governing Documents.** Neither this Agreement nor the performance of this Agreement constitutes a default, violation or conflict with the establishment Act, by-laws or governing documents of Buyer, or any license, permit or consent granted to or by Buyer, or any material provision of any agreement or instrument to which Buyer is a party and, to the best of Buyer's knowledge, will not violate or be in conflict with any judgment, decree, order, statute, rule or regulation.
- (E) **No Litigation or Arbitration Proceedings.** Buyer is not a party to any litigation, arbitration or administrative proceedings in relation to the Assets that might reasonably be expected to delay, prevent or materially hinder the consummation of the transactions contemplated under this Agreement or materially adversely affect them.
- (F) **Conflict of Interest and Improper Influence.** No event has occurred prior to the Effective Date which, had it occurred after the Effective Date, would constitute a violation of Section 19.1 or Section 19.2.
- (G) **Funding.** Buyer has and will have at Closing, sufficient funds to effect the payments due by Buyer at Closing and to fulfill all of its other obligations under this Agreement.
- (H) **Buyer's Experience.** Buyer represents all of the following concerning its experience:
 - (1) Buyer is in the business of seeking or acquiring, by purchase or lease, goods or services for commercial or business use,

- (2) Buyer has knowledge and experience in financial and business matters that enable it to evaluate the merits and risks of the transactions under this Agreement.
 - (3) Buyer is not in a significantly disparate bargaining position.
 - (4) Buyer in making investigation, analysis and evaluation of the Assets, the liabilities and obligations to be assumed by Buyer under this Agreement, the operations, business and prospects relating to the Assets, has not relied on any information, investigation, analysis or evaluation provided by Seller in connection with this transaction but instead is relying on its own investigation, analysis, and assessment based on Buyer's own abilities and skills to operate the Assets.
- (I) **Evidence of Capacity.** Buyer has sufficient technical and financial capacity to own and operate the Assets and can provide sufficient evidence in this regard if so required by Seller, any Government Entity or Third Party.
- (J) **Insolvency.**
- (1) No administrator, receiver or administrative receiver has been appointed in respect of its business.
 - (2) No order has been made and no resolution has been passed for its winding-up.
 - (3) Buyer has not stopped or suspended payment of its debts or become unable to pay its debts.
 - (4) Buyer has not entered into any compromise or arrangement with its creditors or any class of its creditors generally.
- (K) **No Brokers.** Buyer is not a party to, or in any way obligated under, nor does Buyer have any knowledge of, any contract or outstanding claim for the payment of any broker's or finder's fee in connection with the origin, negotiation, execution, or performance of this Agreement for which Seller will have any liability.
- (L) **No Claims.** Buyer represents and warrants that as of the date hereof, based on its actual knowledge, it is not considering or planning to make a Claim against Seller for breach of any Seller's warranties. This representation and warranty is deemed to be repeated by Buyer at Closing.

5.3 **Buyer Acknowledgement.** Buyer acknowledges and agrees that any Warranty Claim by Buyer or any Person deriving title from it in connection with this Agreement will be subject to all of the following:

- (A) On the Execution Date, Buyer is not aware of any matter or thing which is inconsistent with Seller's warranties or constitutes a breach of any of them, except as disclosed in a Schedule to this Agreement. This acknowledgement shall be binding on any Person bringing a Claim under or in connection with Seller's warranties.

- (B) No liability will attach to Seller under this Agreement to the extent that the loss has been recovered by Buyer under any other term of this Agreement or any other document referred to in this Agreement. Buyer may only recover once from the Seller in respect of the same loss.
- (C) Seller shall not be liable for breach of any Seller's warranty to the extent that the subject of the Claim has been or is made good or is otherwise compensated for without cost to Buyer.
- (D) Buyer shall refrain from doing any act or thing which may give rise to a Warranty Claim which would not otherwise arise, other than in the ordinary course of business of Buyer as carried on by Seller at Closing.

5.4 **Supplementing Disclosures.** At any time prior to five (5) Days before Closing, Seller has the right, but not the obligation, to supplement its disclosures in Schedule 5.1 – Seller Disclosures and/or Schedule 5.1(E) – Litigation and Arbitration in respect of the Repeated Warranties by delivering to Buyer a Supplemental Disclosure Letter.

5.5 **No Warranty Claims.** Buyer shall not be entitled to make any Warranty Claim in any of the following circumstances:

- (A) In respect of matters or circumstances disclosed in the Data Room Documents, the Management Presentation or this Agreement, including the Exhibits and Schedules and additionally, in relation to a Repeated Warranty, in respect of matters or circumstances disclosed in a Supplemental Disclosure Letter.
- (B) If Buyer has knowledge, or ought with the exercise of due care and attention to have knowledge, of a matter that is the basis of the Warranty Claim on or before the Closing Date.

5.6 **No Relevant Claims.** Buyer shall not be entitled to make any Relevant Claim in any of the following circumstances:

- (A) To the extent that provision or allowance for the matter or liability which would otherwise give rise to such Claim has been made in the Accounting Adjustment.
- (B) To the extent that the Claim arises as a result of any change in, or in the judicial interpretation of, law or an enactment or repeal of legislation or regulation, or the introduction, change in or cessation of the practice of any Tax Authority taking effect after the Effective Date or the withdrawal of any extra-statutory concessions previously made (whether or not the change proposes to be effective retrospectively in whole or in part) or the act of the Government or any Government Entity.
- (C) To the extent that such Claim arises as a result of a circumstance which arose with the written consent of Buyer or due to any act or omission of Buyer.
- (D) If any Claim arises or is increased as a result of the conduct of operations in respect of the Assets in accordance with normal oil field practice.
- (E) In respect of any matter with which Seller is required to comply pursuant to the Asset Documents or which arises as the result of any exercise of a right by any other party pursuant to the Asset Documents.

- (F) As to a matter that would not have arisen but for a change in accounting legislation, generally accepted accounting principles, of the policy or practice of Buyer after Closing.

5.7 Relevant Claims.

- (A) If Buyer becomes aware of a matter which could give rise to a Relevant Claim, Seller shall not be liable in respect of such matter unless Buyer notifies Seller as soon as reasonably practicable and in any case within fifteen (15) Business Days of Buyer becoming aware of the same. Such notice must reasonably detail the specific Relevant Claim and Buyer's good faith estimate of the amount of the Claim. If the Relevant Claim in question is as a result of or in connection with a liability or alleged liability to a Third Party:
- (1) Subject to Seller indemnifying Buyer against reasonable costs and expenses which may be reasonably and properly incurred by the Buyer pursuant to Section 5.7(A)(2), Buyer shall make no admission of liability, agreement, settlement or compromise with any third party in relation to any such liability or alleged liability without the prior written consent of Seller, and Buyer shall take such action to avoid, mitigate, dispute, resist, appeal, settle, compromise or contest the liability as may be reasonably requested by Seller. Seller shall be entitled to have the sole conduct of any appeal, dispute, compromise or defense of the dispute and of any incidental negotiations at Seller's expense.
 - (2) Buyer shall make available to Seller such Persons and such access and information (including copies of relevant documentation) as Seller may reasonably require for avoiding, disputing, resisting, appealing, compromising or contesting any such liability.
- (B) In the event Buyer notifies Seller of a Relevant Claim prior to Closing in relation to Seller's warranties, then if the Relevant Claim is capable of remedy prior to Closing in the reasonable opinion of Seller, Seller shall have the opportunity to remedy the same prior to Closing at its own expense. If Seller chooses to exercise this right, it shall promptly notify Buyer of its decision to do so and shall use all reasonable endeavors to ensure the remedy of the Relevant Claim as soon as practicable.

5.8 Limitation of Seller's Liability. Seller's liability for any Relevant Claim shall be limited by all of the following:

- (A) Seller shall not be liable for any Relevant Claim for which the amount of damages or other payment to which Buyer would otherwise be entitled is less than US\$750,000 (excluding interest, costs and expenses).
- (B) Seller shall not be liable for any Relevant Claim unless the aggregate amount of Seller's liability in respect of all Relevant Claims made by Buyer exceeds US\$2,000,000, and only to the extent of such excess.
- (C) The maximum aggregate liability of Seller in respect of any and all Relevant Claims shall not exceed the Purchase Price.

(D) In respect of any liability which is contingent, Seller shall have no liability unless and until such liability becomes an actual liability and is due and payable. This provision shall not operate to avoid a Relevant Claim made in respect of a contingent liability or not capable of being quantified within the time limits specified in Section 5.8, provided that once the liability becomes actual or capable of being quantified, then Buyer shall be bound to commence legal proceedings within the following twelve (12) months. Seller undertakes to furnish the Buyer with all necessary information and documents known to or in possession of the Seller in order to enable the Buyer to commence such legal proceedings.

(E) Seller shall cease to have any liability under or in respect of any Relevant Claim unless notification of such Relevant Claim has been given on or before the date which is twelve (12) months after the Closing Date. The liability of Seller in respect of any Relevant Claim shall absolutely terminate if proceedings in respect of it have not been commenced within twelve (12) months from the date of notification of such Relevant Claim.

5.9 **Insurance.** Without prejudice to Buyer's duty to mitigate any loss in respect of any Relevant Claim, if in respect of any matter which would otherwise give rise to any Relevant Claim, Buyer is entitled to Claim under any policy of insurance (or would have been so entitled had it maintained in force Seller's insurance coverage over the Assets at Closing) the amount of insurance monies to which Buyer is or would have been entitled shall reduce or extinguish the Relevant Claim.

5.10 **Damages Payments.**

(A) If Seller or any Affiliate of Seller makes or is required to pay damages pursuant to a Relevant Claim (the "Damages Payment") and Buyer has received or receives at any time any benefit (whether by way of payment, discount, credit or otherwise) other than from Seller, which would not have been received but for the circumstance giving rise to the Relevant Claim in respect of which the Damages Payment was made, then, the benefit received shall be set off against any corresponding Damages Payment. Where the corresponding Damages Payment has already been paid to Buyer, Buyer shall, once it has received such benefit, forthwith repay to Seller an amount equal to the lower of the amount of such benefit and the Damages Payment.

(B) Any Damages Payment made by Seller in respect of a Relevant Claim shall be deemed to be a reduction in the Purchase Price.

(C) References to the limitations on and the liability of Seller shall include any Affiliate of Seller which might have any liability with respect to Seller's warranties.

5.11 **Duty to Mitigate.** Buyer shall take all reasonable steps to avoid, minimize or mitigate any loss, liability or damage which may give rise to a Relevant Claim under or in connection with this Agreement, whether arising in contract, tort (including negligence) or otherwise.

6. **DISCLAIMERS, WAIVERS AND ACKNOWLEDGMENTS**

6.1 **DISCLAIMER.** Except as otherwise expressly provided in this Agreement, Seller makes all of the following disclaimers:

- (A) All of the Assets are being sold "AS IS, WHERE IS" and with all faults.
- (B) Neither Seller nor any Seller Parties makes any warranty or representation, express or implied in fact or by law, with respect to any matter or thing not expressly provided in this Agreement and disclaims all liability and responsibility for any representation, warranty, collateral contract, statement, assurance, opinion or information made or communicated (orally or in writing) to Buyer (including those by any agent, adviser or consultant of any Seller Parties).
- (C) Without limiting the generality of the foregoing, Seller expressly disclaims any representation or warranty express, statutory or implied, as to any of the following (except as expressly provided elsewhere in this Agreement):
- (1) The quantity, existence, quality, value or deliverability of Petroleum Substances or other minerals, or other reserves attributable to the Assets.
 - (2) The physical state, origin, quantity, quality, safety, compliance with government regulations, merchantability, fitness for any particular purpose or condition of the Assets including any property, plant and equipment used in the operation of the Assets or the production, transportation or sale of Petroleum Substances by or on behalf of Seller.
 - (3) Subject to Section 16, Environmental Conditions and Environmental Obligations.
 - (4) Any estimate of the value of the Assets or future revenues generated by the Assets, or concerning current or future operating or maintenance cost.
 - (5) Any geological, geophysical, technical, engineering (including petroleum engineering), economic or other interpretations, forecasts or evaluations concerning the Assets.
 - (6) The amount of any future costs associated with Decommissioning Obligations or Environmental Obligations relating to the Assets, or the extent of any liability related to Decommissioning Obligations or Environmental Obligations.
 - (7) The accuracy or completeness of any Data, reports, records, projections, information or materials furnished or made available to Buyer at any time in connection with the sale of the Assets, including the quality, quantity or environmental condition of the Assets or any other matters contained in the Data or any other materials furnished or made available to Buyer by Seller or any Seller Parties. All such Data, records, reports, projections, information and other materials furnished by Seller or otherwise made available to Buyer are provided to Buyer as a convenience, and shall not create or give rise to any liability of or against Seller. Any reliance on or use of the same shall be at Buyer's sole risk to the maximum extent permitted by Applicable Law.

- (8) The ability of Buyer to claim or recover any costs incurred by it or by Seller in accordance with the terms of the Asset Documents.
- (9) The validity, continuing validity, ability to renew or otherwise obtain authorization with respect to any and all permits and authorizations by any Government Authority.
- (10) Conditions generally affecting the economic or financial markets.
- (11) Conditions generally affecting the oil and gas industry in the Federal Republic of Nigeria, including any applicable or proposed law.
- (12) Political and/or security situation in the Federal Republic of Nigeria.

6.2 BUYER ACKNOWLEDGEMENTS, WAIVERS AND AGREEMENTS.

- (A) Buyer acknowledges and agrees that at Closing, it shall accept the Assets in their then "AS IS, WHERE IS" condition and with all faults, with an express acceptance and understanding of the disclaimers contained in this Agreement.
- (B) Buyer further acknowledges each of the following:
 - (1) That the Assets have been used for oil and gas exploration, drilling and producing operations, pipeline, transportation or gathering operations, and other related oilfield operations, including, possibly the injection, storage or disposal of produced water or waste materials incidental to or occurring in connection with such operations. It is expressly recognized by Buyer that the lands or water bottoms covered by the Rights to Petroleum Substances, along with surface Facilities and production equipment located on such lands or water bottoms, having been used in connection with oil, gas, and water production, treatment, storage, and disposal activities, may contain Hazardous Materials arising from or relating to these operations.
 - (2) That physical changes in the land, groundwater or subsurface may have occurred as a result of any such uses and that Buyer has entered into this Agreement on the basis of Buyer's own investigation of, or right to investigate, the physical condition of the Assets, including the Facilities and equipment, and the surface and subsurface conditions.
 - (3) That Buyer assumes the risk that adverse physical conditions, including the presence of unknown, abandoned or unproductive oil wells, gas wells, equipment, pits, landfills, flowlines, pipelines, water wells, injection wells and sumps, which may or may not have been revealed by Buyer's investigation, are located thereon or therein, and whether discovered, discoverable, hidden, known or unknown to Buyer as of Closing.

- (C) Buyer acknowledges each of the disclaimers set forth in Section 6.1, and acknowledges and affirms that it has not relied upon any representation, warranty, statement, opinion or information in entering into or carrying out the transactions contemplated by this Agreement and Buyer waives all rights and remedies which but for this Section 6.2 would or might have been available to it in respect of such representation, warranty, collateral contract, statement, assurance, opinion or information.
- (D) From and after the Closing, Buyer agrees to assume full responsibility for compliance with all obligations attributable, in any way, to the Assets and all laws, orders, rules and regulations concerning all of such Environmental Conditions, discovered, discoverable, hidden, known or unknown, and (with the exception of Retained Liabilities) further agrees to indemnify and defend the Seller Parties for same, including defense, indemnification and hold harmless for any liability, attorney's fees, fines, penalties or costs under all Environmental Laws, as defined in this Agreement or otherwise asserted.
- (E) Buyer agrees to comply with all covenants, terms, and provisions, express or implied, contained in the Rights to Petroleum Substances and Operation Contracts. This Agreement is made expressly subject to all agreements, leases, easements, permits, commingling authorizations and other contracts relating to the Assets, whether or not specifically identified in this Agreement. Effective upon Closing, Buyer shall assume and be responsible for all obligations and liabilities of Seller under such agreements and agrees to execute any instrument or document required by Seller to evidence such assumption.
- (F) Buyer acknowledges that it has made, or arranged for others to make, or has been afforded the opportunity to make, an inspection and inventory of the Assets and, if not performed, waives such right at and with Closing.
- (G) Buyer affirms that it is relying on its own independent investigation, analysis and evaluation of the geological, geological engineering, economic or other interpretations, the costs of and prospects for further development in relation to the Assets including any future and current Taxes in relation to the Assets, except as expressly provided in this Agreement.
- (H) Except as provided herein, Buyer agrees to indemnify and defend Seller Parties from any liabilities in relation to Claims made by Buyer or any of its Affiliates to the extent it is in relation to the matters described in this Section 6.2.
- (I) Buyer acknowledges and agrees that all lands or water bottoms covered by the Rights to Petroleum Substances, the Wells, and the Facilities transferred pursuant to this Agreement are transferred with the restriction that they will be used only in connection with oil and gas producing activities associated with the Rights to Petroleum Substances, and will not be subsequently transferred by Buyer or Buyer's assignee for unrestricted use unless the concentrations of any Hazardous Materials associated therewith are independently determined by a competent laboratory and are found to exceed the levels specified as allowable for

unrestricted transfer as set forth in Applicable Law, orders, rules or regulations of any court having jurisdiction.

7. CONSENTS

- 7.1 **Obligations of the Parties with respect to Consents.** Buyer shall be responsible for promptly reimbursing Seller for all receipted amounts levied by any Governmental Entity for the granting of required consents. Seller shall file any applications and provide any information in support of an application for consent which Seller is required to file or provide under any Applicable Law.

8. INTERIM PERIOD

- 8.1 **Operations During Interim Period.** During the Interim Period, Seller, in its sole discretion, shall use, operate and maintain the Assets and perform the Assumed Obligations in substantially the same manner in which they have been used, operated and maintained prior to the Execution Date, in a manner consistent with good oil field practices. In addition, to the extent Seller is permitted to do so under the Asset Documents and applicable confidentiality obligations, and to the extent that the following are reasonably within Seller's control, Seller shall do the following:

- (A) Not commit to any operation reasonably anticipated by Seller to require future capital expenditures by the owner of the Assets in excess of 10% of any line item in the current work program and budget without prior written consent of Buyer.
- (B) Save as expressly provided in the Agreement, not to, without prior written consent of the Buyer:
 - (1) incur any material liabilities in respect of the Assets other than in the ordinary course of business associated with the Assets and as recognized in Section 8.1(A);
 - (2) abandon, or consent to abandonment of, any producing or shut-in Well or any injection well located on the Assets, nor release or abandon all or any portion of the Assets;
 - (3) modify or terminate any of the Asset Documents or waive any right thereunder.
- (C) Not sell, transfer or otherwise dispose of any of the Assets, other than hydrocarbons sold in the ordinary course of business, or encumber the Assets, except in respect of Permitted Encumbrances in any manner that would have a material adverse effect on the Assets, or agree to do the same, without Buyer's prior written consent.
- (D) Pay all expenses related to the Assets as they become due, including any cash call obligation under the JOA as they become due and give full details and account of any and all unpaid cash calls and other payments to the Buyer.
- (E) Pay all Taxes, including any estimated payments, with respect to the Assets at the Tax rate applicable to the Seller and report such Taxes on the Seller's Tax Returns in accordance with the Seller's accounting and Tax reporting processes in compliance with Applicable Law.

- (F) Not propose, approve or participate in any material sole risk operation in respect of the Assets without Buyer's prior written consent.
- (G) Continue to maintain the Insurance Policies in full force and effect, and to the extent possible, make the Buyer a beneficiary. Where any insurance policy relating to the Assets or the operations of the Seller is due for renewal during the Interim Period, the Seller shall inform the Buyer in advance of such renewal date.
- (H) Keep Buyer reasonably informed of any developments or notifications in relation to Marginal Fields farmed out within the Assets.
- (I) Not submit a notice of resignation as Operator with an effective date prior to Closing.

8.2 **Exceptions to Seller's Actions During Interim Period.** The provisions set forth in Section 8.1 do not apply, and Seller is entitled to act, or refrain from acting, in such a manner as Seller elects without reference to Buyer or the provisions of Section 8.1 in respect of any of the following circumstances:

- (A) As an act, omission or other matter undertaken with Buyer's consent.
- (B) An act, omission or other matter expressly contemplated by this Agreement, including the taking of any steps necessary to satisfy the Conditions Precedent.
- (C) An act, omission or other matter to be undertaken or mandated pursuant to any work program or budget approved or deemed to have been approved under and in accordance with the Asset Documents or as otherwise required by any Asset Document.
- (D) An act, omission or other matter undertaken in the event of emergency or where otherwise necessary, in the opinion of Seller, to safeguard any assets of Seller, including the Assets.

8.3 **Solvency.** If during the Interim Period Buyer becomes insolvent or goes into liquidation, or proceedings are commenced or threatened for the purposes of winding-up Buyer, or if the financial capacity of Buyer becomes impaired or unsatisfactory in the reasonable opinion of Seller, Seller may, in the exercise of its reasonable discretion, (i) require Buyer to provide additional security satisfactory to Seller to cover Seller's best estimate of the Final Closing Statement; or (ii) terminate this Agreement, and neither Party has any further right or duty to or Claim against the other Party under this Agreement, except as expressly provided to the contrary in this Agreement.

8.4 **Communications.** During the Interim Period, Buyer and Seller shall establish a steering committee to be comprised of at least two (2) representatives of each of Buyer and Seller and which shall meet, whether face-to-face or by telephone conference, at least twice in each calendar month and which shall discuss any significant issue affecting the Assets.

9. TERMINATION

9.1 **Termination of Agreement.** Without prejudice to Section 9.3, this Agreement may be terminated only as follows:

- (A) By written agreement of the Parties.
- (B) Pursuant to Section 2.3, Seller may terminate this Agreement immediately if Buyer fails to pay the Deposit when due.
- (C) Pursuant to Section 2.4, Seller may terminate this Agreement immediately if Buyer fails to provide the Buyer Guarantee when required.
- (D) Pursuant to Section 3.4, by either Party for failure to satisfy the Conditions Precedent by the Long Stop Date, provided that such Party has complied with its obligations under Section 3.2.
- (E) [NOT USED]
- (F) Pursuant to Section 8.3, by Seller in the event that Buyer suffers an insolvency event.
- (G) Pursuant to Section 9.3(D)(2), by either Party in the event of a Material Adverse Change Confirmation.
- (H) Pursuant to Section 19.1 and Section 19.3, by Seller in the event of a violation by Buyer of the provisions in Section 19.1(A), 19.1(B), 19.2(A) or breach of the warranty set out in Section 5.2(F).
- (I) By Seller if Buyer fails, refuses, or is unable for any reason (other than due to a material breach of this Agreement by Seller) not permitted by this Agreement to close on this transaction.
- (J) By Buyer if Seller, through no fault of the Buyer, fails, refuses, or is unable for any reason not permitted by this Agreement to close on this transaction.

9.2 Remedies Upon Termination. In addition to any other specific provision in this Agreement, the following applies in the event of a termination of this Agreement:

- (A) Buyer shall promptly return to Seller all original documents, data or materials delivered to Buyer by Seller, and destroy all copies and reproductions (both written and electronic) in its possession and in the possession of persons to whom it was disclosed.
- (B) If this Agreement is terminated by (i) the Parties under Section 9.1(A); (ii) either Party under Section 9.1(D) or Section 9.1(G), or (iii) the Buyer under Section 9.1(J), both Parties shall be released from their respective obligations under this Agreement and Buyer shall be entitled to reimbursement of the Deposit (without interest) within ten (10) Business Days after the date of termination. If Buyer becomes entitled to reimbursement of the Deposit pursuant to this Section 9.2(B), and such reimbursement is delayed at least fifteen (15) Business Days after such reimbursement is due to Buyer, then Buyer shall be entitled to receive interest on the Deposit for the period from the date the reimbursement of the Deposit was due until the date paid, at the rate of LIBOR plus four percent (4%) per annum.
- (C) If this Agreement is terminated by Seller under Sections 9.1(C), 9.1(F), 9.1(H), or 9.1(I) Seller shall be released from its obligations under this Agreement and Buyer shall not be entitled to reimbursement of the Deposit.

- (D) Without prejudice to Section 9.2(C), if this Agreement is terminated by Seller pursuant to Section 9.1(I), Seller may assert its right to specific performance, retain the Deposit and pursue any other right or remedy to which it might be entitled at law or in equity.
- (E) Except as provided under this Section 9, neither Seller Parties nor Buyer Parties will have any liability to each other respectively or to any of their respective shareholders, and the Parties will be released from all of their obligations under this Agreement.

9.3 Material Adverse Change.

- (A) If, prior to Closing, either Party becomes aware of an event which constitutes, or may reasonably be expected to constitute, a Material Adverse Change, such Party (the "Notifying Party") shall promptly, and in any event, no later than ten (10) Business Days after becoming aware of such event, give written notice (a "Material Adverse Change Notice") to the other Party (the "Receiving Party") specifying:
 - (1) the nature of such Material Adverse Change; and
 - (2) the known or estimated net cost to the Assets in respect of the consequences of such Material Adverse Change.
- (B) Upon receipt of a Material Adverse Change Notice, the Receiving Party may, within ten (10) Business Days, serve notice on the Notifying Party disputing that the relevant event or circumstance constitutes a Material Adverse Change (the "Material Adverse Change Dispute Notice") and specifying the basis for the dispute. If the Material Adverse Change Dispute Notice is not served within ten (10) Business Days of receipt of such Material Adverse Change Notice, the Receiving Party shall be deemed to have accepted that such Material Adverse Change has occurred.
- (C) Upon receipt of the Material Adverse Change Dispute Notice, the Parties shall meet in good faith and use all reasonable endeavors to resolve the Dispute as to whether a Material Adverse Change has occurred (the "Material Adverse Change Dispute"). If the Parties fail to resolve the Material Adverse Change Dispute within ten (10) Business Days of the date of receipt of the Material Adverse Change Dispute Notice by the Receiving Party, the Notifying Party may, within ten (10) Business Days, formally refer the Material Adverse Change Dispute for final resolution in accordance with the procedure set out in Section 21.11. If the Notifying Party fails to refer the Material Adverse Change Dispute for resolution within such period, such Material Adverse Change shall be deemed not to have occurred.
- (D) If: (i) the Parties agree in writing at any time that a Material Adverse Change has occurred, (ii) a Party is deemed to have accepted that a Material Adverse Change has occurred pursuant to Clause 9.3(B), or (iii) an award is rendered in accordance with the determination of the dispute resolution procedure pursuant to Section (C)9.3(C) that a Material Adverse Change has occurred and either (x) the period for challenging the award has expired, or (y) where a challenge is made, the challenge has been finally dismissed by the relevant court (each a "Material Adverse Change Confirmation"):

- (1) Seller may elect, by notice in writing to Buyer within ten (10) Business Days of such Material Adverse Change Confirmation, to:
 - (a) in the case of destruction, loss or physical damage capable of being remedied, procure that the impact to the Assets resulting from such Material Adverse Change be repaired or replaced, as soon as reasonably practicable; provided that, Seller shall bear the cost of any such repair or replacement; or
 - (b) accept a reduction to the Purchase Price by an amount equal to the value of the loss, reduction in value, physical damage, or cost of such repair or replacement, as applicable, in which event, all references in this Agreement to the Purchase Price shall be deemed to be to such reduced amount. If the Parties are unable to mutually agree on the amount of such reduction (to be determined on a reasonable and customary basis, using generally accepted financial analysis methodology and giving effect to reasonably certain tax consequences) the quantum shall be determined by two (2) financial experts (one (1) chosen by Buyer and one (1) chosen by Seller); provided that, if such financial experts are also unable to agree on a valuation, the valuation shall be prepared by a third (3rd) financial expert chosen by such financial experts chosen by the Parties; or
- (2) if Seller does not make an election within the prescribed period under Section 9.3(D)(1), either Party may, by notice in writing to the other Party, within ten (10) Business Days after the expiry of such period, terminate this Agreement and Buyer shall be entitled to reimbursement of the Deposit within ten (10) Business Days after the date of such termination.

10. ALLOCATION OF EXPENSES AND REVENUES AFTER EFFECTIVE DATE

10.1 **Certain Definitions.** In this Section 10, the following terms have the following meanings:

- (A) **"Expenses"** means all costs, charges, and expenses arising out of or in respect of the Assets, except those that relate to any of the following:
 - (1) Claims, Liabilities and Indemnities (Section 13).
 - (2) Taxes (Section 15).
 - (3) Decommissioning Obligations (Section 16).
 - (4) Environmental Obligations (Section 17).
- (B) **"Revenues"** means all sales invoices, receivables, revenue, receipts, rebates and any benefits arising out of or in respect of the Assets except those that relate to Taxes.

10.2 Allocation of Expenses and Revenues.

- (A) Subject to the Closing taking place, Buyer and Seller will allocate certain Expenses and Revenues in respect of the Assets that arise after the Effective Date in accordance with the following provisions:
- (1) Seller shall be liable for all Expenses which relate to the period prior to the Effective Date on an Accrual Basis.
 - (2) Buyer shall be liable for all Expenses which relate to the period on and after the Effective Date on an Accrual Basis. Buyer shall reimburse Seller for all Expenses which relate to the period on and after the Effective Date and this shall be accomplished by the Accounting Adjustments set forth in Exhibit D – Accounting Adjustments.
 - (3) Seller shall be entitled to all Revenues which relate to any period prior to the Effective Date on an Accrual Basis. If Buyer receives any Benefits which relate to such period, Buyer shall account to and reimburse Seller in respect of such Revenues.
 - (4) Buyer shall be entitled to all Revenues which relate to the period on or after the Effective Date on an Accrual Basis. If Seller receives any Revenues in respect of such period, Seller shall account to and reimburse all such Revenues to Buyer and this shall be accomplished by the Accounting Adjustments set forth in Exhibit D – Accounting Adjustments.
- (B) This allocation of Expenses and Revenues shall be accomplished by the Accounting Adjustments set forth in Exhibit D – Accounting Adjustments. For amounts not captured by Exhibit D – Accounting Adjustments, Section 10.3 shall apply.
- (C) The rights and obligations of the Parties under this Section 10.2 shall expire on the date occurring two (2) years after Closing. This expiration shall not prejudice any Expenses or Revenues that exist and have been asserted on or before the expiration date.

10.3 **Payments in Respect of Expenses and Revenues.** Any amount to be paid or reimbursed pursuant to Section 10.2 in respect of Revenues or Expenses that is not otherwise addressed by Accounting Adjustments shall be paid or reimbursed within ten (10) Business Days of receipt of notification from the other Party. Any such payments shall be made to the Seller Account or Buyer Account, as appropriate. The Parties acknowledge that any backlog of reconciliations as at the Effective Date will be reflected in the Accounting Adjustments as well as a footnote notation as the current status relating to the work program and budget for periods prior to the Effective Date which has not been approved.

11. FINAL SETTLEMENT AND POST CLOSING MATTERS

11.1 **Access to Data.** After the Closing Date, and upon reasonable notice being given to the Buyer by the Seller, the Buyer shall allow Seller reasonable access during normal business hours on a Business Day to any data necessary for the purpose of preparing the Final Settlement Statement referred to below, or Seller's or its Affiliates' accounts. Seller shall keep all such data strictly confidential, and shall not disclose such data to any Third Party, or use such data for any purpose whatsoever, other than as specified in this Section 11.1.

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11.2 Final Settlement Statement.

- (A) On or before the Business Day following one hundred and eighty (180) days after Closing, Seller shall prepare and deliver to Buyer a statement (the "Final Settlement Statement"). The Final Settlement Statement shall include:
- (1) Any additional adjustments under Section 2.5 and any changes to the Accounting Adjustments that were set forth in the Preliminary Settlement Statement, showing the calculation of such changes.
 - (2) As a set-off, any resulting amount due to Buyer against any amount or sum that Buyer may otherwise owe to Seller under the terms of this Agreement or any other agreement between Buyer and Seller.
- (B) Within sixty (60) days of receipt of the Final Settlement Statement, Buyer shall deliver to Seller a written notice, either agreeing to the amounts due as set out in the Final Settlement Statement or setting out any changes that Buyer proposes be made to the Final Settlement Statement. If no written notice is delivered within that period, Buyer shall be deemed to have agreed to the Final Settlement Statement and each Party shall pay in accordance with Section 11.2(C). If such a written notice is delivered within that period that proposes changes to the Final Settlement Statement, then the following shall apply:
- (1) Any amount which is not subject to Dispute shall be paid in accordance with Section 11.2(C).
 - (2) The Parties shall negotiate in good faith and use their reasonable endeavors to agree upon any disputed amounts due pursuant to the Final Settlement Statement no later than thirty (30) days after Buyer's submission of its written notice to Seller.
 - (3) In the event the Parties fail to agree upon the amounts due within thirty (30) days after Buyer's submission of its written notice to Seller, then the disputed amounts shall be resolved pursuant to Section 11.2(C).
- (C) If the Parties are unable to mutually agree on the amounts due, the quantum shall be determined by two (2) Nigerian financial experts in Nigeria, one (1) chosen by Buyer and one (1) chosen by Seller; provided that, if such financial experts are also unable to agree on a valuation, the valuation shall be prepared by a Nigerian financial expert chosen by the president of the Institute of Chartered Accountants of Nigeria.
- (D) The payment owed by a Party to the other Party pursuant to the Final Settlement Statement shall be made within a period of ten (10) Business Days after agreement by the Parties or determination pursuant to this Section 11.2, as the case may be. In the case of any such payment by Buyer or Seller, an additional payment shall be made in respect of an amount equivalent to interest on such sum from Closing until the date of reimbursement at a rate equal to LIBOR plus four percent (4%).

11.3 Final and Binding. Subject to Section 11.2, the Final Settlement Statement shall be final and binding upon the Parties and no further Accounting Adjustments shall be made in respect of the Assets.

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11.4 Audits.

- (A) Any revenues, receipts, costs, charges, expenses, liabilities or obligations (including the cost of any audit) accruing in respect of the Assets that results from an audit pursuant to any Asset Document or from any other subsequent adjustment in relation to the operation of, and expenditure attributable to, the Assets in the period prior to the Effective Date shall accrue to Seller. Any such adjustment in respect of the Interim Period shall represent a further adjustment to the Purchase Price in accordance with the principles of this Section 11 and Exhibit D – Accounting Adjustments.
- (B) Where any such audit takes place after Closing, Buyer shall use all reasonable endeavors to enable Seller to make representations directly to the Operator or failing that, shall itself make such representations on Sellers' behalf in connection with such audit, provided that the Seller shall make available to the Buyer all available information on the Assets prior to the Closing Date and the Buyer shall notify Seller of any audit adjustment as soon as practicable after the results of such audit are known.
- (C) If as a result of any audit adjustment, either Buyer or Seller is liable to pay any amount to the other, then, to the extent that the Purchase Price has not otherwise already been adjusted pursuant to the provisions of this Section 11 and Exhibit D – Accounting Adjustments in respect thereof, or the amount has not otherwise been paid, such amount shall be paid to Buyer or Seller (as appropriate) within thirty (30) days after the amount receivable or payable as a result of such an audit or other subsequent adjustment has been taken into account by the Operator in the Operator's billing statement.

11.5 Calculating Adjustments.

- (A) No payment shall be made under this Section 11 in respect of any item to the extent that the Purchase Price has already been adjusted under Section 2.5 or Exhibit D – Accounting Adjustments in respect of that item.
- (B) All of the calculations to be made pursuant to this Section 11 shall be made on an Accrual Basis and in accordance with accounting principles currently generally accepted in the oil and gas industry in accordance with International Financial Reporting Standards (IFRS) and such principles shall be consistently applied for the purposes of any and all disputes between the Parties.
- (C) Where responsibility for any liability or Assets has been allocated to a Party by adjustment to the Purchase Price under this Section 11 and Exhibit D – Accounting Adjustments, no indemnity shall operate so as to give a Party multiple credits or multiple liability for such Assets or liability or to reallocate responsibility for such liability.

12. OIL AND GAS IMBALANCES

- 12.1 **Buyer's Acknowledgement.** Buyer acknowledges that any imbalance amounts are derived from either Operator's statements or Seller's estimates based upon current production, prior sales history or contract information and such statements or estimates were provided to Buyer and were taken into consideration in Buyer's Allocation of the Purchase Price.

12.2 Production Imbalances.

- (A) "Production Imbalances" means any over-production or under-production with respect to oil or gas produced from or allocated to the Assets, where Seller as of the Effective Date is out of balance with:
 - (1) The Operator.
 - (2) Other working interest parties in the Assets.
 - (3) Third Parties pursuant to a production handling agreement.
- (B) Regardless of whether Seller is over-produced or under-produced as to its share of total oil, condensate or gas production, any balancing obligation or credit arising from such over-production or under-production balance as of the Effective Date shall transfer to Buyer on the Effective Date, and Seller shall have no further liability therefore nor benefit therefrom (whichever the case may be), and as of the Effective Date, Buyer expressly assumes any such obligation or credit.
- (C) If Seller is a party to an oil or gas balancing agreement, a production handling agreement or other reconciliation obligations pursuant to any operating agreement or commingling authority covering all or a portion of the Assets, Buyer shall assume all rights and duties of Seller pursuant thereto. If the Assets is not covered by a balancing agreement, a production handling agreement or other reconciliation obligations pursuant to any operating agreement or commingling authority, Buyer shall fulfill its obligations under this provision in accordance with Applicable Law.
- (D) Buyer shall indemnify and defend Seller and Seller Parties against any and all Claims arising directly or indirectly out of Buyer's failure to fulfill its obligations under this provision.

12.3 Pipeline Imbalances.

- (A) "Pipeline Imbalances" means any oil or gas imbalances arising from the Assets that exist as of the Effective Date on gathering or transportation agreements regardless of whether Seller is long or short.
- (B) The Pipeline Imbalances shall be transferred to Buyer on the Effective Date and Seller shall have no further liability therefore nor benefit therefrom (whichever the case may be).
- (C) As of the Effective Date, Buyer expressly assumes any such long or short Pipeline Imbalances.
- (D) Buyer agrees to indemnify and defend Seller and Seller Parties against any and all Claims arising directly or indirectly out of Buyer's failure to fulfill its obligations under this provision.

12.4 Adjustments for Oil and Gas Imbalances. Adjustments to the Purchase Price to account for Production Imbalances or Pipeline Imbalances shall be handled as set forth in Section 1.1(F) (Overlift/Underlift) of Exhibit D – Accounting Adjustments.

13. CLAIMS, LIABILITIES AND INDEMNITIES

13.1 INTENT OF INDEMNITY PROVISIONS. The Parties agree to allocate between them certain risks and responsibility for all Claims related to the Assets and this Agreement as set out below.

13.2 BUYER ASSUMPTION OF RISK AND RESPONSIBILITY.

(A) Subject to Closing, Buyer accepts and assumes the risk of, and responsibility for, and agrees to timely and fully perform, pay, fulfill, satisfy and discharge all liabilities, obligations and Claims in any way arising out of, related to, or connected with (i) the Assets, (ii) Buyer's or Seller's ownership, operations or activities related to the Assets, and (iii) any contracts and agreements pertaining thereto, including all of the following:

- (1) Claims relating in any manner to the ownership, operation or use of the Assets and the business relating thereto.
- (2) All Environmental Obligations and Decommissioning Obligations.
- (3) Claims arising in connection with Hazardous Materials attributable to the Assets or the operation of the Assets, including from the generation of, formation of, presence on or requirement to dispose of, transport or store of any Hazardous Material.
- (4) Damage to, or reduction in the value of, all or any part of the Assets including obligations arising out of any latent physical or design defect in the Wells or Facilities existing or attributable to the period prior to Closing and which is not discovered until after the Closing Date.
- (5) Any change in the condition of the Assets resulting from the production of Petroleum Substances through normal depletion (including the watering out, sand infiltration, breakdown, or other loss or reduction of utility of any Well).
- (6) Any change in the value of the Assets resulting from the outcome of any pending or executed exploration, development, production and abandonment operations.
- (7) Claims brought by any Third Party in any way arising out of, related to, or in connection with the Transition Services Seller provides to Buyer.
- (8) Claims for any damages arising out of or in connection with Seller's provision of the Transition Services resulting in any Environmental Condition.
- (9) Any other obligations, responsibilities or liabilities assumed by Buyer pursuant to this Agreement not otherwise set forth in this Section 13.2.

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(the "Assumed Obligations"), regardless of whether such liabilities, obligations or Claims arose or relate to periods prior to, on or after the Effective Date or whether such liabilities, obligations or Claims are foreseeable or unforeseeable.

- (B) Notwithstanding the foregoing, the Assumed Obligations shall not include, and Seller shall retain full responsibility for and fully perform, pay, fulfil, satisfy and discharge (or cause to be fully performed, paid, fulfilled, satisfied or discharged) all actual and direct damages ordered to be paid by Seller pursuant to a final non-appealable judgment arising from the disputes set forth on Schedule 13.2(B) (the "Retained Liabilities").

13.3 **RELEASE AND DISCHARGE BY BUYER.** Subject to Closing, to the fullest extent permitted by Applicable Law, Buyer releases and discharges each Seller Party from and against all liabilities, obligations and Claims (except for Retained Liabilities) in any way arising out of, related to, or connected with the Assumed Obligations, notwithstanding the active, passive, contributory, concurrent, gross, sole or joint negligence of any Person indemnified, regardless of whether liability of any kind is imposed or sought to be imposed on any person indemnified, and whether any Claim is in tort, under contract, or otherwise at law and regardless of whether such liabilities, obligations or Claims arose or relate to periods prior to, on or after the Effective Date or whether such liabilities, obligations or Claims are foreseeable or unforeseeable.

13.4 **BUYER'S INDEMNIFICATION.**

- (A) **GENERAL.** Subject to Closing, Buyer shall fully indemnify, defend and hold harmless each Seller Party from and against all liabilities, obligations and Claims (except for Retained Liabilities) in any way arising out of, related to, or connected with the Assumed Obligations, notwithstanding the active, passive, contributory, concurrent, gross, sole or joint negligence of any Person indemnified, regardless of whether liability of any kind is imposed or sought to be imposed on any person indemnified, and whether any Claim is in tort, under contract, or otherwise at law and regardless of whether such liabilities, obligations or Claims arose or relate to periods prior to, on or after the Effective Date or whether such liabilities, obligations or Claims are foreseeable or unforeseeable.

Buyer's indemnity obligations include matters for which Buyer expressly agrees to indemnify Seller (including pursuant to Sections 16.2, 17.1, and 17.2), but does not include the matters for which Seller agrees to indemnify Buyer pursuant to Section 13.5.

- (B) **ALLOCATION OF PURCHASE PRICE.** As of the Effective Date, Buyer shall indemnify and defend Seller Parties against any Claims brought against Seller arising from or under or attributable or relating to the allocation and apportionment of the Purchase Price as set forth in Sections 2.2 and 2.6, provided that this Section 13.4(B) shall not apply to any Claims for Taxes that are the liability of Seller pursuant this Agreement.
- (C) **TAXES.** Buyer shall indemnify and defend the Seller Parties with respect to any Claims for Taxes which are the obligation of Buyer, including any court costs and attorneys' and other advisor fees.

(D) **CONFLICT OF INTEREST.** Buyer indemnifies Seller against Claims that arise out of or in connection with any inaccuracy of the representations set out in Section 5.2(F) or any violation of Section 19.1 or Section 19.2.

13.5 **SELLER'S INDEMNIFICATION WITH RESPECT TO CERTAIN ITEMS.** Effective at Closing, Seller indemnifies Buyer and Buyer Parties from and against all liabilities, obligations and Claims in any way arising out of, related to, or connected with the following and relating to periods prior to the Effective Date that relate to:

(A) The payment, underpayment or nonpayment of royalties, overriding royalties, production payments, net profits payments or other payments on production or the proper accounting or payment to parties for their interests therein.

(B) The payment, underpayment or nonpayment of property, ad valorem, windfall profit, severance or other similar taxes relating to the Assets or the Seller.

(C) The Retained Liabilities.

13.6 **INDEMNITY OBLIGATIONS REGARDLESS OF CAUSE.** The release and indemnity obligations set out in this Agreement apply regardless of the cause, notwithstanding the active, passive, contributory, concurrent, gross, sole or joint negligence of any Person indemnified, regardless of whether liability of any kind is imposed or sought to be imposed on any person indemnified, and whether any Claim is in tort, under contract, or otherwise at law.

13.7 **LIMITATION ON CLASSES OF DAMAGES.** Buyer and Seller mutually waive and release to the fullest extent permitted by Applicable Law, all of the following Claims for damages arising out of this Agreement, whether such Claims are made in connection with an indemnity specified in this Section 13.8, a breach of any obligation under this Contract or otherwise, except for Claims arising from the obligation of a Party to indemnify the other Party for Third Party Claims:

(A) Indirect or consequential loss, including all of the following:

(1) Loss of production, including production of petroleum or petroleum products.

(2) Loss of prospective economic advantage or benefit.

(3) Loss of business opportunity.

(B) Punitive or exemplary damages.

(C) Lost profits.

The waiver and release under this Section 13.7 applies regardless of the active, passive, contributory, concurrent, gross, or sole negligence, intentional, wanton, or willful misconduct, strict liability without fault, regulatory liability, or other fault or responsibility of either Party.

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13.8 DEFENSE OF CLAIMS.

- (A) Whenever a Party ("Indemnifying Party") indemnifies an indemnified party under this Agreement ("Indemnitee") against Claims, the Indemnifying Party shall defend and hold the Indemnitee harmless against those Claims and except in respect of an indemnity under Section 13.5(C), against all reasonable costs, expenses and fees of any kind (including attorneys' fees) incurred by the Indemnitee in defending those Claims.
- (B) If any Third Party notifies an Indemnitee of any Claim that the Third Party intends to bring or has brought (a "Third Party Claim") which gives rise to a Claim for indemnification against the Indemnifying Party, then the Indemnitee shall promptly, and in any event within thirty (30) Business Days after receiving notice of the Third Party Claim, notify the Indemnifying Party of the Third Party Claim in writing, giving reasonably detailed information concerning the Third Party Claim.
- (C) The Indemnifying Party shall have the right to conduct the defense of the Third Party Claim at its sole cost. An Indemnitee has the right to reasonably object to counsel selected by the Indemnifying Party and select alternative counsel at the cost of the Indemnifying Party.
- (D) Unless and until an Indemnifying Party assumes the defense of the Third Party Claim as provided in Section 13.8(C) the Indemnitee may defend against the Third Party Claim in any manner it reasonably deems appropriate at the cost of the Indemnifying Party.
- (E) The Indemnifying Party shall not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnitee, which consent shall not be unreasonably withheld or delayed.
- (F) Notwithstanding Section 13.8(D), the Indemnitee shall not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnifying Party, which consent shall not to be unreasonably withheld or delayed.
- (G) If a Third Party Claim is made, each Party agrees to provide to the other Party and its authorized employees and its professional advisers all material technical, legal and financial information necessary or conducive to the proper defense of the Third Party Claim. Each Party shall keep all such information confidential and only use the information in connection with the Third Party Claim.

13.9 **INDEMNITY PAYMENTS.** Indemnity payments shall be treated as an adjustment to the Purchase Price.

14. INSURANCE MATTERS

14.1 Insurance Matters.

- (A) Buyer acknowledges and agrees to all of the following:

- (1) After the Closing Date, no insurance coverage is provided under the Insurance Policies in respect of the Assets.
 - (2) After the Closing Date, no Claims regarding any matter whatsoever, whether or not arising from events occurring prior to the Closing Date, shall be made against or with respect to the Insurance Policies by the Buyer or its successors, or any Person subrogated to their rights. Seller shall make all such claims and the full benefits from such claims shall be for the account of the Seller, except that in respect of an event that occurred during the Interim Period, such claims shall be for the account of the Buyer.
- (B) In the event that, at any time during the Interim Period, any circumstances arise in relation to the Assets which could found a Claim under the Insurance Policies, Seller shall, in consultation with Buyer, pursue such Claim.
- (C) Any monies received or receivable by Seller under any Insurance Policy in relation to the Assets during the Interim Period or after Closing shall be applied in the following manner:
- (1) If received prior to Closing, such proceeds shall be applied by Seller in making good the subject matter of the Claim and if and to the extent not so applied, shall be paid to Buyer at Closing.
 - (2) If received after Closing, such proceeds shall be paid to Buyer within twenty (20) Business Days following receipt thereof as an adjustment by means of a reduction to the Purchase Price net of any tax chargeable to Seller on the receipt.
- (D) Any payments made under this Section 14.1 shall be treated as an adjustment to the Purchase Price. Any such payments shall be made in accordance with Section 10.3.

15. TAXATION

15.1 **Tax Obligations.** The Parties agree to allocate their respective responsibilities and obligations for certain types of Taxes with respect to this Agreement and the transactions contemplated hereunder as described in this Section 15.

15.2 Allocation and Payment of Taxes.

- (A) The responsibilities and obligations for all Taxes, other than Transaction Taxes, shall be allocated between Buyer and Seller in accordance with this Section 15.2.
- (1) Seller is responsible for and shall pay all such Taxes assessed on, based on or attributable to the Assets or the operation of the Assets for periods ending on or before the day prior to the Effective Date and the portion of any Straddle Period ending on the day prior to the Effective Date. Seller is entitled to any and all refunds, recoupments, rebates and credits of Taxes for which Seller is liable pursuant to this Section 15.2(A)(1).

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- (2) Buyer is responsible for and shall pay all such Taxes assessed on, based on or attributable to the Assets for periods beginning on or after the Effective Date and the portion of any Straddle Period beginning on the Effective Date, including such Taxes based on or attributable to the Assets of the operations of the Assets during the Interim Period and imposed on Seller at the tax rates applicable to Seller. Buyer is entitled to any and all refunds, recoupments, rebates and credits of Taxes for which Buyer is liable pursuant to this Section 15.2(A)(2).
- (B) For purposes of determining the allocations described in Section 15.2(A):
- (1) Taxes that are attributable to the severance or production of Petroleum Substances shall be allocated to the period in which the severance or production giving rise to such Taxes occurred;
 - (2) Taxes that are based upon or related to income or receipts or imposed on a transactional basis (including but not limited to Nigerian Petroleum Profits Taxes, Education Taxes and Companies Income Taxes), shall be allocated to the period in which the transaction giving rise to such Taxes occurred; and
 - (3) Taxes that are ad valorem, property or other Taxes imposed on a periodic basis pertaining to a Straddle Period shall be allocated between the portion of such Straddle Period ending on the day prior to the Effective Date, and the portion of such Straddle Period beginning on the Effective Date by prorating each such Tax based on the number of days in the applicable Straddle Period that occur before the Effective Date and the number of days in such Straddle Period that occur on and after the Effective Date.
- (C) Transaction Taxes:
- (1) Buyer is responsible for and shall pay all:
 - (a) Transaction Taxes payable on or in respect of this Agreement, the Assignment Documents and other documents contemplated or executed pursuant to this Agreement and the transfers and transactions contemplated thereunder, and
 - (b) Required filing and recording fees and expenses in connection with the filing and recording of the assignments, conveyances or other instruments required to convey title to the Assets to Buyer.
 - (2) Buyer shall prepare and promptly file all necessary documentation and Tax Returns with respect to such Transfer Taxes. As set forth in Section 2.8, the payment of such Transaction Taxes is in addition to, and will in no way count towards, the Purchase Price or Adjusted Purchase Price payable under this Agreement.
 - (3) Subject to Section 15.2(C)(4), Buyer, at the Closing, shall pay Seller all applicable Transaction Taxes and other amounts for which Buyer is responsible under Section 15.2(C)(1), and Seller shall remit such Transaction Taxes to the appropriate Taxing Authority in accordance

with Applicable Law. Seller will provide to Buyer a record of payment of such Transaction Taxes to the appropriate Taxing Authority within thirty (30) days of the Closing Date.

- (4) If Buyer holds a valid permit or other tax registration at the time of Closing under which Buyer has the right or is obligated to pay applicable Transaction Taxes directly, Buyer shall assume all responsibility for remitting such Transaction Taxes to the appropriate Taxing Authority, and shall provide Seller with any exemption certificates or other documentation required under Applicable Law in lieu of paying Seller the taxes due. Buyer will provide to Seller record of payment of such Transaction Taxes to the appropriate Taxing Authority within thirty (30) days of the Closing Date.

- (D) Buyer shall indemnify and defend Seller and the Seller Parties with respect to any Claims for Taxes which are the obligation of Buyer under this Agreement, including any court costs and attorney's and other advisor fees.

(E) Accounting Adjustments and Reimbursements

- (1) The Accounting Adjustments set forth in Exhibit D – Accounting Adjustments included in the Preliminary or Final Settlement Statement shall include (i) the amount of any Taxes paid by Seller that are the responsibility of Buyer pursuant to Section 15.2(A)(2), and (ii) the amount of any Tax refund, recoupment, rebate or credit received by Seller but to which Buyer is entitled pursuant to Section 15.2(A)(2), net of any reasonable costs or expenses (including Taxes) incurred by Seller in procuring such refund, recoupment, rebate or credit.
- (2) If one Party pays Taxes that are the responsibility of the other Party pursuant to this Section 15 and such Taxes are not included as an adjustment in the Preliminary or Final Settlement Statement, the paying Party will provide the other Party evidence of such payment and the other Party will then promptly reimburse the paying Party.
- (3) If one Party receives a Tax refund, recoupment, rebate or credit to which the other Party is entitled and such amount is not included in the Preliminary or Final Settlement Statement, the receiving Party will promptly pay to the other Party an amount equal to such Tax refund, recoupment, rebate or credit, net of any reasonable costs or expenses (including Taxes) incurred by such recipient Party in procuring such refund, recoupment, rebate or credit.
- (4) Neither Party will have any liability to the other Party under this Section 15 with respect to any item for which an Accounting Adjustment has already been made to the Purchase Price and included in the preliminary or Final Settlement Statement.
- (5) Any payments made under Section 15.2(E)(2) or 15.2(E)(3) shall be treated as an adjustment to the Purchase Price. Any such payments shall be made in accordance with Section 10.3.
- (6) The rights and obligations of the Parties under Section 15.2(E)(2) or 15.2(E)(3) shall expire sixty (60) days after the end of the applicable

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statute of limitations period. This expiration shall not prejudice any reimbursement or refund payment obligations that exist and have been asserted on or before such expiration date.

16. DECOMMISSIONING

16.1 Buyer Assumption of Decommissioning Obligations. As additional consideration for the sale and transfer of the Assets, Buyer shall assume and shall timely and fully satisfy all Decommissioning Obligations associated with the Assets.

16.2 Buyer Indemnity for Decommissioning Obligations.

(A) Subject to Closing, Buyer assumes and shall be responsible for all Decommissioning Obligations of Seller and the Seller Parties with respect to the Assets and operations or activities related to the Assets, and shall fully release, indemnify, defend and hold harmless Seller and each Seller Party from and against any and all Claims related to Decommissioning Obligations or Buyer's failure to timely and fully satisfy the Decommissioning Obligations, regardless of whether such Claims arose or relate to periods prior to, on or after the Effective Date or whether the Claim is foreseeable or unforeseeable.

(B) Buyer shall include the provisions of this Section in all subsequent sales or transfers of any interest in the Assets and shall cause all purchasers or transferees of the Assets to expressly acknowledge and assume all such obligations.

16.3 Further Actions.

(A) Buyer further agrees to take whatever actions are necessary to protect Seller from being subjected to any Claims relating to Decommissioning Obligations, including removal, Remediation and restoration, and shall comply with reasonable requests by Seller that Buyer take such actions.

(B) Buyer shall provide to Seller such assistance as Seller may reasonably request in order to have Seller released from any notice issued to Seller in relation to the Assets pursuant to any Applicable Law.

16.4 Decommissioning Security. At Closing, Buyer shall provide as security for the performance of its Decommissioning Obligations an irrevocable letter of credit in a form acceptable to Seller and in substantially the form set out in Exhibit G – Form of Decommissioning Security, issued by one or more financial institutions, each of which meets the Acceptable Financial Standards.

16.5 Satisfaction of Decommissioning Obligations. If Buyer believes it has fully satisfied all of its Decommissioning Obligations with respect to any Well or Facility (each a "Provisional Decommissioned Asset"), then the following apply with respect to such Provisional Decommissioned Asset:

(A) Buyer will deliver (i) evidence of compliance with Applicable Laws governing the relevant Decommissioning Obligations and (ii) a statement setting forth the total actual costs and expenses Buyer incurred in satisfying such Decommissioning Obligations (the "Decommissioning Statement").

- (B) Within ninety (90) days after Seller's receipt of a Decommissioning Statement, Seller will provide written notification to Buyer stating either Seller's agreement or Seller's good faith objection to such Decommissioning Statement.
- (C) If Seller agrees that Buyer has completed all of Buyer's Decommissioning Obligations with respect to any such Provisional Decommissioned Asset, each such Provisional Decommissioned Asset will be deemed a "Completed Decommissioned Asset".
- (D) If Seller objects under Section 16.5(B), such Provisional Decommissioned Asset shall be deemed non-abandoned, and Buyer may resolve such Dispute pursuant to the terms of this Agreement.

16.6 **Duty to timely Perform Decommissioning Obligations.** The Decommissioning Security will in no way limit Buyer's obligation to fully perform and satisfy the Decommissioning Obligations with respect to the Assets, as set forth in Section 16.1, as and when required by Applicable Law. Seller will have no liability for any costs and expenses incurred for performing and satisfying Decommissioning Obligations, and Buyer will indemnify and hold harmless Seller for any and all such costs and expenses, as provided in Section 13.4(A).

16.7 **Default.** If Buyer, its successors or assigns fails to perform any Decommissioning Obligations when due in accordance with this Agreement or if a Government Entity requests Seller to perform any Decommissioning Obligation (either occurrence a "Decommissioning Default"), provided that Seller will first have provided written notice to Buyer specifying the Decommissioning Default and affording Buyer thirty (30) days to cure such Decommissioning Default, Seller may realize on the security provided in the Decommissioning Security.

16.8 **Replacement Security.** If Buyer sells or otherwise transfers all or any part of the Assets and intends that Buyer's successors or assigns provide replacement security and intends that Buyer's successors or assigns provide replacement security (the "Proposed Replacement Security") in favor of Seller, Buyer will give Seller prior notice so that Seller can review the Proposed Replacement Security, which must be in a form satisfactory to Seller in its sole discretion.

17. ENVIRONMENTAL MATTERS

17.1 Post-Closing Environmental Indemnification by Buyer.

- (A) Subject to Closing, (but excluding any Retained Liabilities) Buyer assumes and shall be responsible for all Environmental Conditions and Environmental Obligations of Seller and the Seller Parties with respect to the Assets and operations or activities related to the Assets, and shall fully release, indemnify, defend and hold harmless each Seller Party from and against any and all Claims relating to Environmental Obligations or Buyer's failure to timely and fully satisfy the Environmental Obligations as set forth in this Agreement or as may be imposed by any Environmental Law with respect to the Assets and concerning all Environmental Conditions, whether discovered, discoverable, hidden, known or unknown regardless of whether such Claims arose or relate to periods prior to, on or after the Effective Date or whether the Claim is foreseeable or unforeseeable. Nothing in this Section shall require the Buyer to

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reimburse the Seller or any Seller Party for amounts actually expended by the Seller or any Seller Party prior to the Effective Date in respect of Environmental Obligations of the Seller.

- (B) Furthermore, all future assignees and successors of Buyer shall release, indemnify and defend Seller and the Seller Parties from and against any and all Claims under any Environmental Law with respect to the Assets.
- (C) Buyer further agrees to cause the provisions of this clause to be included in all subsequent sales or transfers of any interest in the Assets, and to cause all purchasers or transferees of the Assets to expressly acknowledge and assume all such obligations.

17.2 Buyer Indemnification Regarding NORM and other Hazardous Materials.

- (A) It is expressly recognized by Buyer that the lands or water bottoms, along with surface facilities and production equipment located on the lands or water bottoms, having been used in connection with oil, gas, and water production, treatment, storage, and disposal activities, may contain NORM, asbestos and other Hazardous Materials as a result of these operations.
- (B) As of the Effective Date, the generation, formation, or presence of NORM, asbestos or other Hazardous Materials in or on the Assets shall be the sole responsibility of Buyer.
- (C) Buyer agrees to comply with all provisions of such laws, orders, rules or regulations applicable to said lands or water bottoms, the Wells, and the Facilities.
- (D) As of Closing, Buyer shall release, indemnify and defend the Seller Parties from any and all Exposure Claims (including expenses associated with claims investigation, testing and assessment), whether based on any theory of negligence, tort, breach of contract, breach of warranty, strict liability, regulatory or statutory liability, regardless of the sole, joint or concurrent negligence, breach of contract, breach of warranty, strict liability, regulatory liability, statutory liability, or other fault or responsibility of Seller or any other Person, whether any Hazardous Materials existed or were used or in place before, on or after the Effective Date.
- (E) Buyer Parties shall cause that all Buyer Parties' future assignees and successors release, indemnify and defend the Seller Parties, from any and all Exposure Claims (including expenses associated with claims investigation), whether based on any theory of negligence, tort, breach of contract, breach of warranty, strict liability, regulatory or statutory liability, regardless of the sole, joint or concurrent negligence, breach of contract, breach of warranty, strict liability, regulatory liability, statutory liability, or other fault or responsibility of Seller or any other Person, whether any Hazardous Materials existed or were used or in place before or after the Effective Date.
- (F) Buyer further agrees to cause the provisions of this clause to be included in all subsequent sales or transfers of any interest in the Assets, and to cause all purchasers or transferees of the Assets to expressly acknowledge and assume all such obligations.

- 17.3 Waiver. Buyer waives for all purposes all objections or Claims associated with the Environmental Condition of the Assets (including environmental contamination, and Environmental Obligations), Buyer, acting on behalf of itself and the Buyer Parties and their successors and assigns, irrevocably waives any and all Claims that they may now or hereafter have against Seller and the Seller Parties associated with the same.

18. ANNOUNCEMENTS AND CONFIDENTIALITY

18.1 Confidentiality.

- (A) The terms of this Agreement shall be held confidential by the Parties and shall not be divulged in any way to any Third Party by any Party without the prior written approval of the other Parties, except as permitted by Section 18.2.
- (B) Each Party shall keep the Confidential Information obtained or received from the other Party strictly confidential prior to Closing.
- (C) Each Party shall not disclose, trade or otherwise divulge the Confidential Information prior to Closing to any Person, except as permitted by Section 18.2, provided that prior to being given access to such information, such recipients have agreed to maintain the confidentiality of such Confidential Information.
- (D) If the Closing does not occur for any reason, then both of the following shall apply:
 - (1) Each Party agrees that all Confidential Information shall remain confidential, except to the extent such information is available in the public domain other than through a breach of the disclosing party's confidentiality obligations to the other party or any other Person to whom the Confidential Information is disclosed pursuant to this Agreement.
 - (2) Each Party and any Person to whom a Party has disclosed Confidential Information shall promptly return to the relevant party its Confidential Information and related materials and information, including any notes, summaries, compilations, analyses or other material derived from the inspection or evaluation of such material and information including, Evaluation Materials, without retaining copies, and destroy any information relating to the Assets or the relevant party.
- (E) Following Closing, the Seller shall not disclose, trade or otherwise divulge to any Person any Confidential Information concerning Buyer retained by the Seller.

18.2 Permitted Disclosures. Each Party may disclose the terms of this Agreement, and prior to Closing, either Party may disclose the Confidential Information, to any of the following parties:

- (A) Any Affiliate of such Party.
- (B) Any legal, accounting, tax or other professional advisers of such Party.

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- (C) Any bank or financial institution or party providing equity funding from whom such Party is seeking or obtaining finance in connection with this Agreement.
- (D) To the applicable authority to the extent required by any applicable statute, the Asset Documents or the requirements of any recognized stock exchange in compliance with its rules and regulations.
- (E) To any Government Entity lawfully requesting such information.
- (F) To any court of competent jurisdiction acting in pursuance of its powers.
- (G) To any party to any Asset Documents, if required to do so by such Asset Document.

Prior to making any such disclosures to Persons under Sections 18.2(B), 18.2(C) or 18.2(G), the receiving Person must first sign an undertaking of confidentiality that is substantially the same as stated the confidentiality obligations in this Agreement.

18.3 Announcements.

- (A) Except for mandatory notices or announcements required under Applicable Law, by the stock exchange upon which a Party's or its Affiliate's shares are quoted or any similar regulatory body of any other jurisdiction, any announcements regarding the consummation of the transaction contemplated by this Agreement shall be made pursuant to a text prepared jointly by Seller and Buyer, to which effect the Parties shall cooperate in good faith. Any press release in connection with the consummation of the transaction contemplated by this Agreement shall be made only after all mandatory notices have been properly given, and shall be released with the prior consent of the other Party. The release of reserve estimates in any announcement is expressly prohibited.
- (B) In the event a Party is required to make any mandatory notice or announcement, if practicable in the circumstances, it shall use its reasonable best efforts to allow the other Party reasonable time to comment on such notice or announcement in advance of its issuance.

18.4 **Continuing Confidentiality Obligations.** Notwithstanding the termination of this Agreement, the provisions of this Section 18.4 will continue to apply. Prior to Closing, nothing in this Agreement terminates, modifies or supersedes the terms and provisions of the confidentiality agreement previously entered into between the Parties. Upon Closing, such confidentiality agreement terminates as to the Assets purchased by Buyer, except for those terms or provisions that expressly survive termination.

19. ADDITIONAL OBLIGATIONS

19.1 Conflict of Interest.

- (A) **Prohibition.** No director, employee or agent of Buyer or any Buyer Party may engage in any of the following activities without Seller's prior written consent:
 - (I) Give to or receive from any director, employee or agent of Seller or its Affiliates in connection with this Agreement, either of the following:

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- (a) Any gift, entertainment or other benefit of significant cost or value.
 - (b) Any commission, fee or rebate.
- (2) Enter into any business arrangement with any director, employee or agent of Seller or any Affiliate of Seller (other than as a representative of Seller or any Affiliate of Seller).
- (B) **Reporting Violations and Reimbursement.** Buyer shall immediately notify the Seller of any violation of Section 19.1(A) or of the occurrence of any event prior to the Effective Date which, if it had occurred after the Effective Date, would constitute a violation of Section 19.1(A). In addition to any other remedies to which Seller may be legally entitled, Buyer shall reimburse or issue a credit to Seller equal to the value of the benefit received by or given to the director, employee or agent of Seller or any Affiliate of Seller as a consequence of that violation or event.

19.2 Improper Influence.

- (A) **Prohibition.** No member of Buyer Party may offer or make any payment, or offer or give anything of value to any Government Official, any immediate family member of a Government Official or any political party to influence any act or decision by any Government Official, government, government instrumentality, party or public organization, or to gain any other advantage for Seller Parties, Buyer Party or any of them arising out of this Agreement. In addition, no member of Buyer Party shall offer or make any payment or offer or give anything of value to any Person if the member knows or has reason to believe that any portion of the payment or thing of value will be given directly, indirectly or through a Third Party to any Government Official, any immediate family member of any Government official or any political party.
- (B) **Reporting Violations and Reimbursement.** Buyer shall immediately notify Seller of any violation of Section 19.2(A) or of the occurrence of any event prior to the Effective Date which, if it had occurred after such date, would constitute a violation of Section 19.2(A).

19.3 Termination. Seller may, at its sole option, terminate this Agreement with immediate effect for any violation of Section 19 or breach of warranty set out in Section 5.2.

19.4 Audit Rights. Seller may audit relevant records of Buyer and any Buyer Party for the purpose, related to this Agreement or the transactions contemplated by this Agreement, of determining whether they have complied with Section 19.

19.5 Records Retention and Audit Rights. Buyer shall retain, and ensure that other members of Buyer Party retain, all records related to this Agreement until at least twenty-four (24) months from the Closing Date or the end of the calendar year in which this Agreement is terminated, whichever first occurs. Seller (or its representative) may inspect all records at any time during this retention period to determine Buyer's, and any Buyer Party's, compliance with the terms of this Agreement.

19.6 Data Privacy. Buyer will comply with all reasonable requests of Seller with respect to protecting personal data of Seller's employees, customers, and suppliers it receives in connection with this Agreement, including following Seller's instructions in

connection with processing such personal data; implementing adequate security measures to protect such personal data; not disclosing such personal data to any third party without Seller's written permission; and complying with all applicable data privacy laws.

20. NOTICES

20.1 Notices.

- (A) All notices required or permitted under this Agreement must be in writing and delivered by mail (postage prepaid) or by hand delivery to the address of the receiving Party set out in the signature page to this Agreement, unless otherwise specified in this Agreement. Notices sent by email are ineffective.
- (B) Notices are effective when received by the recipient during the recipient's regular business hours.
- (C) Notices which do not comply with the requirements of this Agreement are ineffective, and do not impart actual or any other kind of notice.
- (D) Each Party may change its address for notice by giving notice to the other Party. If a notice is given under this Section 20.1(D), the address which is set out in the notice replaces the address as set out in this Agreement.

21. GOVERNING LAW AND RESOLUTION OF DISPUTES

- 21.1 **Governing Law.** This Agreement is governed by and shall be interpreted under and in accordance with the laws of the Federal Republic of Nigeria, without regard to its choice of law rules. The United Nations Convention on Contracts for the International Sale of Goods, 1980 (known as "the Vienna Sales Convention") and similar treaties and conventions do not apply to this Agreement.
- 21.2 **Resolution of Disputes.** The Parties shall exclusively and finally resolve any Dispute between them using direct negotiations, mediation and arbitration as set out in this Section 21, except as permitted in Section 21.9, and except that any Material Adverse Change Dispute shall be resolved in accordance with the provisions of Section 21.11.
- 21.3 **Direct Negotiations.** If a Dispute arises, a Party shall initiate the resolution process by giving notice setting out in writing and in detail the issues in Dispute and the value of the Claim to the other Party. A meeting between the Parties, attended by individuals with decision-making authority, must take place within thirty (30) days from the date the notice was sent in an attempt to resolve the Dispute through direct negotiations.
- 21.4 **Mediation.** If the Dispute cannot be settled by direct negotiations within thirty (30) days of initiation of the resolution process, either Party may initiate mediation by giving notice to the other Party. The venue of the mediation is Lagos, Nigeria, unless otherwise agreed by the Parties.
- 21.5 **Arbitration.** If the Dispute is not resolved by mediation within thirty (30) days from the date of the notice requiring mediation, or if the Dispute is unresolved within sixty (60) days from the date requiring direct negotiations, then the Dispute shall be finally resolved by binding arbitration and either Party may initiate such arbitration by giving notice to the other Party. The arbitration shall be conducted in accordance with the United Nations Commission on International Trade Law Arbitration ("UNCITRAL").

Rules, except to the extent conflicts between the UNCITRAL Rules at present in force and the provisions of this Agreement, in which event the provisions of this Agreement prevail. The International Centre for Dispute Resolution (in the case of Disputes involving one or more non-U.S. parties) or the American Arbitration Association (in the case of Disputes involving all U.S. parties) is the appointing authority. The place of arbitration is Lagos, Nigeria.

21.6 The following provisions shall apply to any arbitration proceedings commenced pursuant to Section 21.5:

- (A) The number of arbitrators shall be one (1) if the monetary value of the Dispute is US\$3,000,000 (or its Naira currency equivalent) or less. The number of arbitrators shall be three (3) if the monetary value is greater than US\$3,000,000 or its Naira currency equivalent.
- (B) The arbitrator or arbitrators must be fluent in the English language and the language of the arbitral proceeding shall be in English.
- (C) The arbitrator or arbitrators must remain neutral, impartial and independent regarding the Dispute and the Parties. If the number of arbitrators to be appointed is one, that arbitrator or the presiding arbitrator if the arbitrators are three (3), must be a lawyer experienced in the resolution of disputes with experience relating to the issues in Dispute of not less than fifteen (15) years cognate experience.
- (D) The Parties shall submit true copies of all documents considered relevant with their respective statement of Claim or defense and any counterclaim or reply. Neither Party may compel the other to produce additional documents. However, upon a showing of good cause, the arbitrator(s) may decide to require the submission of additional documents limited to specific, narrow and well-defined classes of documents that the arbitrator(s) consider(s) necessary for the arbitrator's or arbitrators' understanding and resolution of the Dispute. A Party producing, submitting or offering any document which is not in the English language shall also provide a certified English translation of the document by a qualified third-party translator at that submitting Party's sole expense. If the testimony of a witness must be translated, the Party proffering the witness shall bear the cost of translation.
- (E) The Parties waive any Claim for, and the arbitrator has or arbitrators have no power to award, the damages waived and released under Section 13.7. The arbitrator has or arbitrators have no authority to appoint or retain expert witnesses for any purpose unless agreed to by the Parties. The arbitrator has or arbitrators have the power to rule on objections concerning jurisdiction, including the existence or validity of this arbitration clause and existence or the validity of this Agreement.
- (F) All arbitration fees and costs (with the exception of translation costs as specified above) shall be borne equally regardless of which Party prevails. Each Party shall bear its own costs of legal representation and witness expenses.
- (G) The arbitrator is or arbitrators are authorized to take any interim measures as the arbitrator considers or arbitrators consider necessary, including the making of interim orders or awards or partial final awards. An interim order or award

may be enforced in the same manner as a final award using the procedures specified below.

- (H) The arbitrator or arbitrators must render a reasoned award in writing. The award is final and binding.
- (I) The Dispute should be resolved as quickly as possible. The arbitrator's or arbitrators' award must be issued within three (3) months from the completion of the hearing, or as soon as possible thereafter.

21.7 Enforceability.

- (A) Except for proceedings to preserve property pending determination by the arbitrator or arbitrators or to enforce an award, the mandatory exclusive venue for any judicial proceeding permitted in this Agreement is the court of competent jurisdiction in Lagos, Nigeria. The Parties consent to the jurisdiction of these courts and waive any defenses they have regarding jurisdiction. Proceedings to confirm an award may be filed as provided in this Section 21.7(A) at any time within one year after the award is made.
- (B) Proceedings to enforce judgment entered on an award may be brought in any court having jurisdiction over the person or assets of the non-prevailing Party. The prevailing Party may seek, in any court having jurisdiction, judicial recognition of the award, or order of enforcement or any other order or decree that is necessary to give full effect to the award.

21.8 Arbitral Award.

- (A) The arbitrator(s) must render a reasoned award in writing. The award is final and binding.
- (B) The Dispute must be resolved as quickly as possible. The arbitration award must be issued within three (3) months from the completion of the hearing, or as soon as possible thereafter.
- (C) Proceedings to enforce judgment entered on an award may be brought in any court having jurisdiction over the Person or assets of the non-prevailing Party. The prevailing Party may seek, in any court having jurisdiction, judicial recognition of the award, or order of enforcement or any other order or decree that is necessary to give full effect to the award.

21.9 Judicial Proceedings.

- (A) The Parties may apply to a court for any of the following:
 - (1) Interim measures as necessary until appointment of the arbitrator(s), or pending determination by the arbitrators(s).
 - (2) Preserving property pending determination by the arbitrator(s).
 - (3) Enforcing judgment entered on an award.
 - (4) Enforcing Section 21.10 and preventing any information, documents or materials disclosed during those proceedings from being used or

disclosed by that Party for any purpose other than enforcement of Section 21.10.

- (B) Except for proceedings to preserve property pending determination by the arbitrator(s) or to enforce an award, the mandatory exclusive venue for any judicial proceeding expressly permitted in this Agreement in Lagos, Nigeria. The Parties consent to the jurisdiction of these courts and waive any defenses they have regarding jurisdiction.
- (C) The Parties agree that this Section 21.9 does not constitute a waiver of the right to arbitration.

21.10 Confidentiality.

- (A) The Parties agree that any Dispute and any negotiations, mediation and arbitration proceedings between the Parties in relation to any Dispute shall be confidential and shall not be disclosed to any Third Party.
- (B) The Parties further agree that any information, documents or materials produced for the purposes of, or used in, negotiations, mediation or arbitration of any Dispute shall be confidential and shall not be disclosed to any Third Party.
- (C) Without prejudice to the foregoing, the Parties agree that disclosure may be made:
 - (1) In order to enforce any of the provisions of this Agreement, including without limitation, the Parties agreement to arbitrate, any arbitration order or award and any court judgment.
 - (2) To the auditors, legal advisers, insurers and Affiliates of that Party to whom the confidentiality obligations set out in this Agreement shall extend.
 - (3) Where that Party is under a legal or regulatory obligation to make such disclosure, but limited to the extent of that legal obligation.
 - (4) With the prior written consent of the other Party.
- (D) The Parties agree to submit to the jurisdiction of the courts of Lagos, Nigeria for the purposes of any proceedings to enforce this Section 21.10 and shall prevent any information, documents or materials belonging to a Party from being used or disclosed by that Party for any purpose.

21.11 Expedited Resolution of MAC Dispute. If a Material Adverse Change Dispute is referred by the Notifying Party for final resolution in accordance with Clause 9.3(C), the Material Adverse Change Dispute shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce as amended from time to time (the "ICC Rules"). The place of arbitration will be Lagos, Nigeria. The Parties agree, pursuant to Article 30(2)(b) of the ICC Rules, that the Expedited Procedure Rules (as set out in Appendix VI to the ICC Rules) shall apply to any arbitration commenced pursuant to this Section 21.11 irrespective of the amount in dispute, and to waive any right that they may have under Article 1(4) of the Expedited Procedure Rules to submit, whether on their own motion or upon the request of the ICC Court, that the Expedited

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Procedure Provisions shall no longer apply to the Material Adverse Change Dispute proceedings. The provisions of Sections 21.6(B) to 21.6(H) will also apply to any arbitration commenced pursuant to this Section 21.11.

22. THIRD PARTY RIGHTS

- 22.1 Except for Seller Parties or Buyer Parties, who shall have the right to enforce such rights as are expressly conferred on them under this Agreement, no Third Party may enforce any terms of this Agreement. No consent of any Third Party shall be required for any amendment or termination of this Agreement.

23. GENERAL PROVISIONS

- 23.1 **Entire Agreement.** This Agreement (including all Exhibits and Schedules thereto), and any agreements to be entered into hereunder, comprises the entire and exclusive agreement and understanding between the Parties regarding the subject matter of this Agreement, and supersedes all oral and written communications, negotiations, representations or agreements in relation to that subject matter made or entered into prior to the date hereof.
- 23.2 **Amendment.** No amendment, modification or variation to this Agreement shall be effective unless made in writing and signed by an authorized representative of each Party.
- 23.3 **Waiver.**
- (A) No waiver by either Party of this Agreement's terms, provisions or conditions shall be effective unless specifically evidenced in writing and signed by or on behalf of the Party granting such waiver.
 - (B) A Party's failure to pursue remedies for breach of this Agreement does not constitute a waiver by such Party of any breach of this Agreement or raise any defense against Claims against a Party for breach of this Agreement.
 - (C) The waiver or failure to require the performance of any covenant or obligation contained in this Agreement or to pursue remedies for breach of this Agreement shall only relate to the matter to which it expressly relates and shall not apply to any subsequent or other matter.
- 23.4 **Severability.** Each provision of this Agreement is severable and if any provision is determined to be invalid, unenforceable or illegal under any existing or future law by a court or arbitrator of competent jurisdiction or by operation of any Applicable Law, this invalidity, unenforceability or illegality does not impair the operation of or affect those portions of this Agreement that are valid, enforceable and legal, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination that any term or other provision or part thereof is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

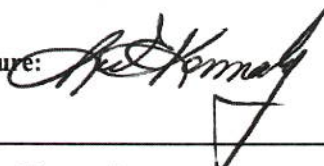
- 23.5 **No Rescission.** Unless expressly provided otherwise in this Agreement:
- (A) Buyer shall have no right, including any right under common law or any right in respect of any Relevant Claim, other than in the case of fraud, to delay or defer Closing, or either before, on, or after Closing, to rescind, terminate, or fail to perform this Agreement, or any part of it, and shall not be entitled to treat Seller as having repudiated this Agreement; and
 - (B) the sole remedy of Buyer in relation to any delay, default, breach, or failure on the part of Seller under, or in relation to this Agreement (other than in the case of fraud) shall be in damages and Buyer hereby expressly and unconditionally waives all other rights and remedies (whether statutory, at common law, in equity, or otherwise).
- 23.6 **No Joint Venture, Partnership, or Agency.** Nothing contained in this Agreement shall be deemed to create a joint venture, partnership, Tax partnership, or agency relationship between the Buyer and Seller.
- 23.7 **Remedies.** Unless otherwise specified in this Agreement, any remedies provided for in this Agreement shall be several and cumulative.
- 23.8 **Fraud.** Nothing in this Agreement shall be read or construed as excluding any Claims or remedy in respect of fraud.
- 23.9 **Interest.** Without prejudice to any other rights available to a Party hereunder or at law, if any amount payable hereunder is not paid when due, the defaulting Party shall pay interest on such amount from the due date of payment (after as well as before judgment) until the date of payment (both dates inclusive) at a rate equal to LIBOR plus four percent (4%) calculated on a daily basis using simple interest.
- 23.10 **Assignments.** This Agreement shall be binding on and inure for the benefit of the rightful successors and permitted assigns of the Parties, but the rights, duties and obligations of Buyer under this Agreement may not be assigned without Seller's prior written consent; such consent, in the event of an assignment to an Affiliate, not to be unreasonably delayed or withheld, provided that if such Affiliate ceases to be an Affiliate of Buyer, it shall without delay assign this Agreement back to Buyer. Notwithstanding anything herein to the contrary, the Buyer shall remain responsible to the Seller for all obligations, indemnities and liabilities due to Seller under this Agreement, unless and until expressly released by the other Party.
- 23.11 **Further Assurance.**
- (A) After the Closing, each Party shall execute, acknowledge and deliver all documents, and take all such actions which from time to time may be reasonably requested by the other Party in order to carry out the purposes and intent of this Agreement.
 - (B) Except as otherwise provided herein, any provision of this Agreement, which has not been performed on or before the Closing, but which remains capable of performance, and all assurances contained in, or entered into pursuant to, this Agreement shall remain in full force and effect notwithstanding Closing.

- 23.12 **Costs and Expenses.** Each Party shall pay its own costs and expenses in relation to the preparation, negotiation and execution of this Agreement and the documents contemplated or executed pursuant to this Agreement.
- 23.13 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed an original of this Agreement, and which together will constitute one and the same instrument; provided that neither Party shall be bound to this Agreement unless and until both Parties have executed a counterpart.
- 23.14 **Drafting.** Preparation of this Agreement has been a joint effort of the Parties and the resulting Agreement must not be construed more severely against one of the Parties than against the other.
- 23.15 **Other Regulations.** Seller is subject to U.S. law and regulations, including economic sanctions and trade restrictions imposed by the U.S. Government. Accordingly, Buyer shall provide Seller with ninety (90) days advance notice of the names and addresses of any member of Buyer Group which may be the target of, or owned or subject to, control by any country, institution, organization, entity or Person that is the target of economic sanctions and trade restrictions imposed by the U.S. government.

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The Parties have executed this Agreement in duplicate as evidenced by the following signatures of authorized representatives of the Parties:

SELLER:
CHEVRON NIGERIA LIMITED

Signature: 

Name: *R.J. KENNEDY*


Title: *MANAGING DIRECTOR*

Witness *OMORIODE REGINALD AZIZA*

ADDRESS FOR NOTICES:

2 Chevron Drive P.M.B.12825, Lekki Peninsula, Lagos, Nigeria
Attention: Managing Director

BUYER:
NIGERIAN NATIONAL PETROLEUM CORPORATION

Signature: 

Name: *Mele Kolo Kyari*

Title: *Group Managing Director*

Witness: *HADIZA COOMASSIE*

ADDRESS FOR NOTICES:

NNPC Towers, Herbert Macaulay Way, Central Business District,
Garki, Abuja, Nigeria
Attention: Group Managing Director

EXHIBIT A – DESCRIPTION OF ASSETS

1. DESCRIPTION OF ASSETS

1.1 Seller's undivided forty percent (40%) interest in all of the following

- (A) Rights to Petroleum Substances.
- (B) Facilities, including Pennington Export Terminal (Load and Go facilities) and the flowline from OML-88 to Pennington Export Terminal.
- (C) Wells.
- (D) Assigned Petroleum Substances.
- (E) Production and Pipeline Imbalances.

1.2 Additional Assets.

2. DESCRIPTION OF ANY EXCLUDED ASSETS

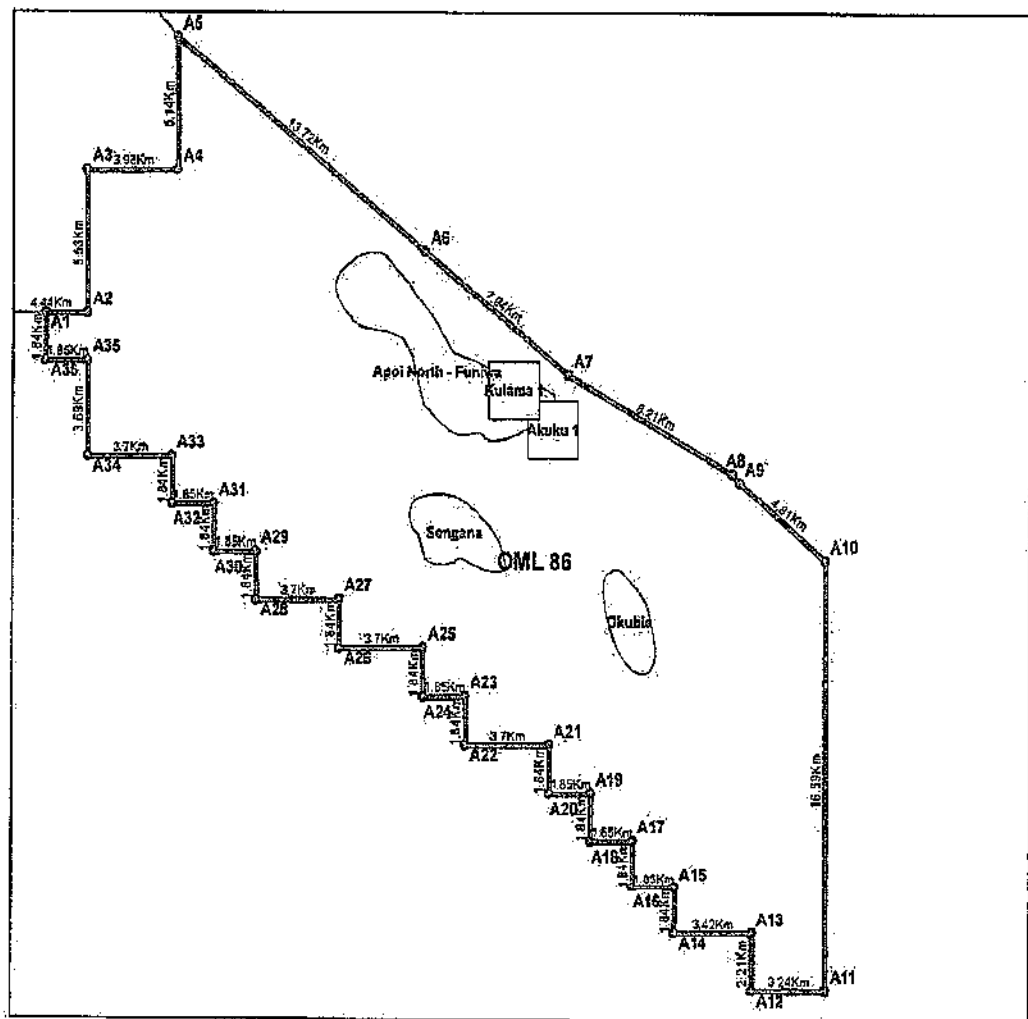
- 2.1 Subject to Section 14.1(c), all rights, titles, claims and interests of Seller related to the Assets for all periods prior to the Closing Date (i) under any policy or agreement of insurance or indemnity, (ii) under any bond, or (iii) to any insurance or condemnation proceeds or awards.
- 2.2 Claims of Seller for any refund of or loss carry forwards with respect to (i) production, windfall profit, severance, ad valorem or any other Taxes attributable to the Assets for any period prior to the Effective Date, and (ii) income, capital, occupational, margin or franchise taxes.
- 2.3 All cash balances held in the joint account under the JOA, as of the Effective Date.
- 2.4 All amounts due or payable to Seller as adjustments to insurance premiums related to the Assets for all periods prior to the Closing Date.
- 2.5 All of Seller's intellectual property rights, patents, trade secrets, copyrights, names, marks and logos.
- 2.6 All rights, obligations, benefits, awards, judgments, settlements, if any, applicable to any litigation pending in which Seller is a named claimant or plaintiff or holds beneficial rights or interests, to the extent related to periods prior to the Effective Date, to the extent, and only to the extent, that such claims, rights and other matters do not cause a material impairment in the value of the Assets to occur after the Effective Date.
- 2.7 All telecommunication and communications equipment and services, Wide Area Radio System ("WARS") control stations, remote terminal units, SCADA hardware and software, photocopy machines, and personal computers and associated software.
- 2.8 Seller's interest, if any, in any gas processing plant, separation facility or gas treating plant serving the Assets.

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- 2.9 All vehicles, boats, tools (save to the extent used exclusively by Seller in relation to the Assets as at the Effective Date) emergency medical response supplies (including automated external defibrillators, oxygen and combiflutes).
- 2.10 All Third Party owned equipment and property located on or used in connection with the Assets, including contractor equipment and leased equipment.

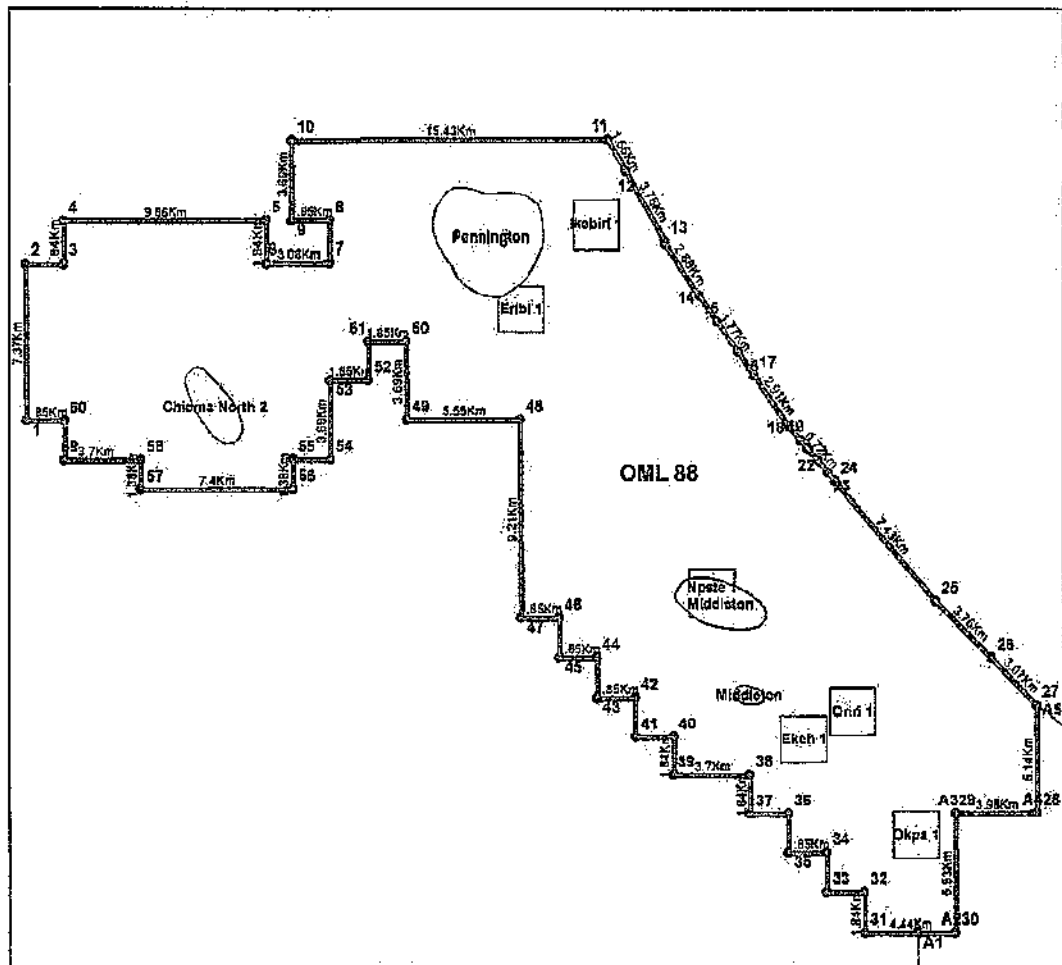
3. DESCRIPTION OF AREAS

3.1 Indicative Map of Area—OML 86



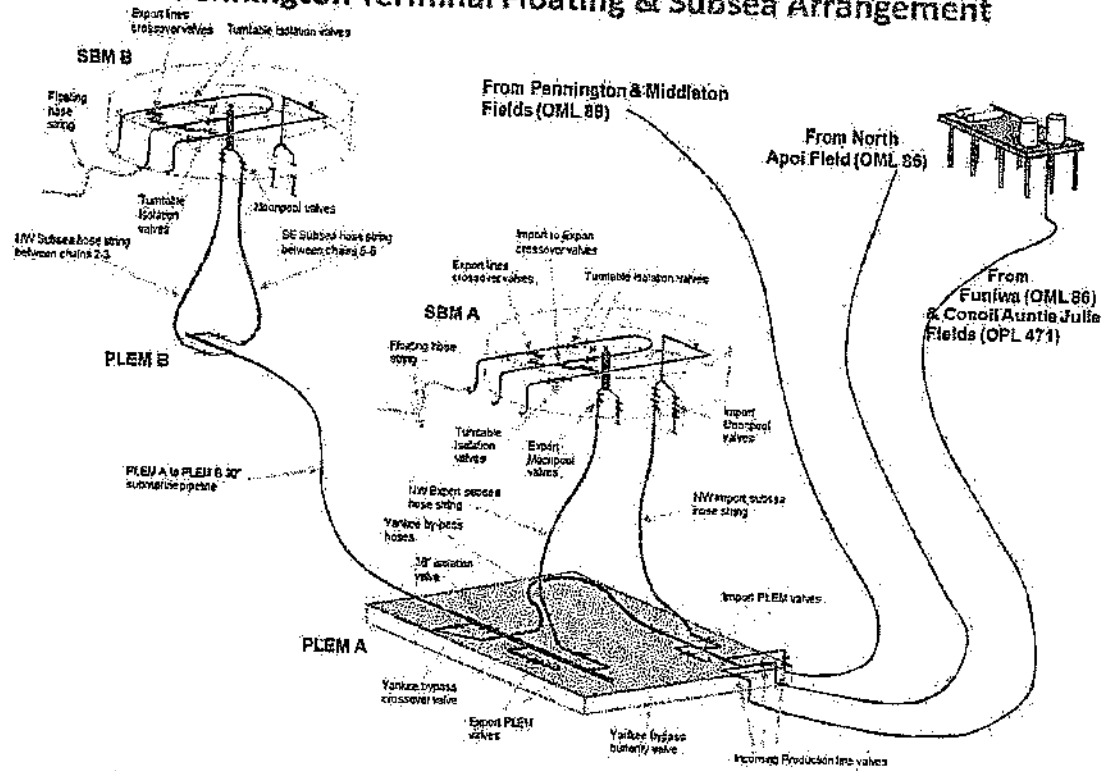
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3.2 Indicative Map of Area – OML 88



Description

Pennington Terminal Floating & Subsea Arrangement



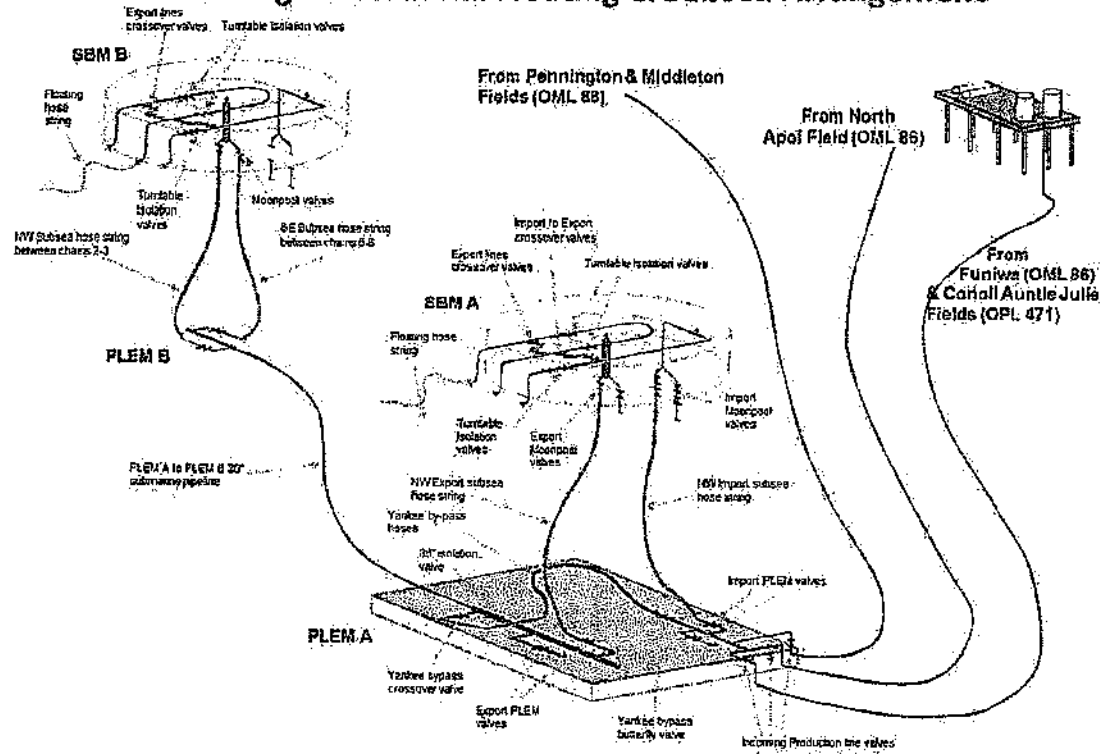
~~Updated August 2010~~

Sale and Purchase Agreement - OML 86 & 88
Execution Version

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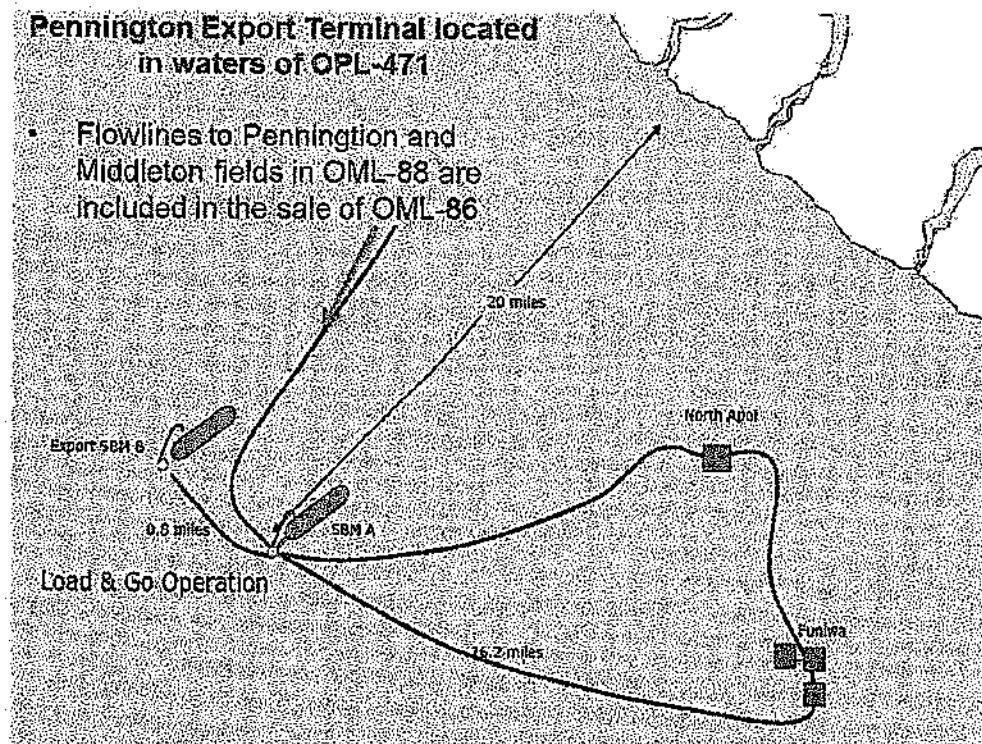
3.3 Description of Export Facilities

Pennington Terminal Floating & Subsea Arrangement



Updated: August 2010

02-11-11



3.4 Geographic Coordinates of the Area – OML 86. Coordinates are those stated in OML 86 which are as follows:

Label	Eastings(m)	Northings(m)	Latitude (dms)	Longitude (dms)
A1	359108.28	38788.14	4° 21' 0.000"	5° 39' 24.001"
A2	360958.17	38790.99	4° 21' 0.000"	5° 40' 23.999"
A3	360949.53	44319.29	4° 24' 0.000"	5° 40' 23.999"
A4	364927.36	44325.64	4° 24' 0.000"	5° 42' 33.019"
A5	364918.99	49470.13	4° 26' 47.501"	5° 42' 33.019"
A6	375859.05	41193.09	4° 22' 17.411"	5° 48' 27.400"
A7	382184.31	36397.99	4° 19' 40.929"	5° 51' 52.258"
A8	389461.03	32601.00	4° 17' 36.877"	5° 55' 48.004"
A9	389772.97	32254.04	4° 17' 25.562"	5° 55' 58.098"
A10	393538.03	29265.02	4° 15' 48.020"	5° 58' 0.001"
A11	393569.04	12677.58	4° 6' 47.999"	5° 58' 0.001"
A12	390330.21	12671.69	4° 6' 47.999"	5° 56' 15.000"
A13	390326.22	14883.23	4° 8' 0.000"	5° 56' 15.000"
A14	386902.52	14877.10	4° 8' 0.000"	5° 54' 24.001"
A15	386899.25	16720.07	4° 9' 0.000"	5° 54' 24.001"
A16	385048.60	16716.80	4° 9' 0.000"	5° 53' 24.000"
A17	385045.36	18559.75	4° 10' 0.001"	5° 53' 24.000"
A18	383194.76	18556.50	4° 10' 0.001"	5° 52' 23.999"

A19	383191.55	20399.33	4° 11' 0.000"	5° 52' 23.999"
A20	381341.11	20396.11	4° 11' 0.000"	5° 51' 24.001"
A21	381337.92	22239.04	4° 12' 0.000"	5° 51' 24.001"
A22	377636.95	22232.70	4° 12' 0.000"	5° 49' 23.999"
A23	377633.82	24075.60	4° 13' 0.001"	5° 49' 23.999"
A24	375783.50	24072.48	4° 13' 0.001"	5° 48' 24.001"
A25	375780.41	25915.26	4° 14' 0.000"	5° 48' 24.001"
A26	372079.67	25909.11	4° 14' 0.000"	5° 46' 23.999"
A27	372076.64	27751.97	4° 15' 0.000"	5° 46' 23.999"
A28	368376.13	27745.96	4° 15' 0.000"	5° 44' 24.000"
A29	368373.17	29588.80	4° 16' 0.001"	5° 44' 24.000"
A30	366522.92	29585.84	4° 16' 0.001"	5° 43' 23.999"
A31	366519.99	31428.56	4° 17' 0.000"	5° 43' 23.999"
A32	364669.90	31425.63	4° 17' 0.000"	5° 42' 24.001"
A33	364666.99	33268.46	4° 18' 0.000"	5° 42' 24.001"
A34	360966.71	33262.69	4° 18' 0.000"	5° 40' 23.999"
A35	360961.03	36948.19	4° 20' 0.000"	5° 40' 23.999"
A36	359111.09	36945.34	4° 20' 0.000"	5° 39' 24.001"
Coordinate system: WGS84 UTM ZONE 31N				

3.5 Geographic Coordinates of the Area – OML 88. Coordinates are those stated in OML 88 which are as follows;

Label	Eastings(m)	Northings(m)	Latitude (dms)	Longitude (dms)
A1	315796.89	62686.23	4° 34' 00.0012"	5° 16' 00.00"
A2	315788.98	70056.39	4° 37' 59.9988"	5° 16' 00.00"
A3	317637.94	70058.41	4° 37' 59.9987"	5° 16' 59.99"
A4	317635.9	71901.02	4° 39' 00.0001"	5° 16' 59.99"
A5	327497.36	71912.57	4° 39' 00.0001"	5° 22' 19.99"
A6	327499.64	70069.92	4° 37' 59.9987"	5° 22' 19.99"
A7	330581.48	70073.77	4° 37' 59.9987"	5° 24' 00.00"
A8	330579.14	71916.43	4° 39' 00.0000"	5° 24' 00.00"
A9	328730.05	71914.1	4° 39' 00.0000"	5° 22' 59.99"
A10	328725.43	75599.29	4° 40' 59.9987"	5° 22' 59.99"
A11	344156.48	75620.25	4° 40' 59.9988"	5° 31' 20.73"
A12	344995.5	74188.75	4° 40' 13.3479"	5° 31' 47.89"
A13	346905.93	70948.73	4° 38' 27.7585"	5° 32' 49.72"
A14	348553.9	68586.1	4° 37' 10.7498"	5° 33' 43.08"
A15	349444.53	67317.93	4° 36' 29.4140"	5° 34' 11.92"
A16	350459.54	65866.58	4° 35' 42.1075"	5° 34' 44.78"
A17	351216.95	64775.4	4° 35' 06.5409"	5° 35' 09.30"
A18	352882.73	62392.83	4° 33' 48.8810"	5° 36' 03.22"

Sale and Purchase Agreement - OML 86 & 88.
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A19	353463.24	61732.48	4° 33' 27.3508"	5° 36' 22.02"
A20	353753.28	61391.63	4° 33' 16.2382"	5° 36' 31.42"
A21	353869.56	61270.29	4° 33' 12.2815"	5° 36' 35.18"
A22	354346.12	60733.37	4° 32' 54.7754"	5° 36' 50.62"
A23	354780.94	60231.02	4° 32' 38.3970"	5° 37' 04.70"
A24	355136.95	59828.66	4° 32' 25.2781"	5° 37' 16.23"
A25	360037.96	54246.05	4° 29' 23.2585"	5° 39' 54.93"
A26	362747.61	51637.7	4° 27' 58.1903"	5° 41' 22.70"
A27	364918.99	49470.13	4° 26' 47.5008"	5° 42' 33.01"
A28	364927.36	44325.64	4° 24' 00.0001"	5° 42' 33.01"
A29	360949.53	44319.29	4° 23' 59.9999"	5° 40' 23.99"
A30	360958.17	38790.99	4° 21' 00.0000"	5° 40' 23.99"
A31	356518.27	38784.21	4° 21' 00.0000"	5° 37' 59.99"
A32	356515.5	40626.99	4° 22' 00.0013"	5° 37' 59.99"
A33	354665.67	40624.22	4° 22' 00.0012"	5° 37' 00.00"
A34	354662.93	42466.88	4° 22' 59.9988"	5° 37' 00.00"
A35	352813.04	42464.14	4° 22' 59.9987"	5° 36' 00.00"
A36	352810.33	44306.9	4° 23' 59.9999"	5° 36' 00.00"
A37	350960.5	44304.2	4° 24' 00.0001"	5° 34' 59.99"
A38	350957.82	46146.95	4° 25' 00.0013"	5° 34' 59.99"
A39	347258.37	46141.64	4° 25' 00.0011"	5° 33' 00.00"
A40	347255.77	47984.26	4° 25' 59.9987"	5° 33' 00.00"
A41	345406.05	47981.66	4° 25' 59.9987"	5° 31' 59.99"
A42	345403.47	49824.39	4° 27' 00.0002"	5° 31' 59.99"
A43	343553.91	49821.82	4° 27' 00.0001"	5° 31' 00.00"
A44	343551.37	51664.53	4° 28' 00.0012"	5° 31' 00.00"
A45	341701.75	51662.00	4° 28' 00.0014"	5° 30' 00.00"
A46	341699.24	53504.59	4° 28' 59.9988"	5° 30' 00.00"
A47	339849.67	53502.09	4° 28' 59.9989"	5° 28' 59.99"
A48	339837.2	62715.46	4° 34' 00.0011"	5° 28' 59.99"
A49	334289.29	62708.07	4° 34' 00.0011"	5° 25' 59.99"
A50	334284.49	66393.31	4° 36' 00.0000"	5° 25' 59.99"
A51	332435.37	66390.92	4° 36' 00.0001"	5° 25' 00.00"
A52	332437.73	64548.25	4° 34' 59.9988"	5° 25' 00.00"
A53	330588.46	64545.91	4° 34' 59.9988"	5° 24' 00.00"
A54	330593.07	60860.71	4° 33' 00.0001"	5° 24' 00.00"
A55	328743.72	60858.42	4° 32' 59.9999"	5° 22' 59.99"
A56	328745.41	59476.47	4° 32' 15.0001"	5° 22' 59.99"
A57	321348.19	59467.78	4° 32' 14.9999"	5° 19' 00.00"
A58	321346.63	60849.72	4° 33' 00.0001"	5° 19' 00.00"
A59	317648.03	60845.62	4° 33' 00.0000"	5° 16' 59.99"
A60	317646.02	62688.22	4° 34' 00.0011"	5° 16' 59.99"

Sale and Purchase Agreement - OML 86 & 88
Execution Version

OPA

Coordinate system: WGS84 UTM ZONE 31N

4. ADDITIONAL ASSETS

END OF EXHIBIT A

EXHIBIT B – ASSET DOCUMENTS

LIST OF ASSET DOCUMENTS

1. Joint Operating Agreement between Nigerian National Petroleum Corporation (NNPC) and Gulf Oil Company (Nigeria) Limited (now Chevron Nigeria Limited) dated 25 July 1991.
2. Amendment 1 of the Joint Operating Agreement between NNPC and Gulf Oil Company (Nigeria) Limited (now Chevron Nigeria Limited) dated 28 September 2005.
3. Joint Operating Agreement between NNPC and Texaco Overseas (Nigeria) Petroleum Company Unlimited & Chevron Oil Company Nigeria (both now Chevron Nigeria Limited) dated 25 July 1991.
4. Oil Mining Lease No. 86 granted on December 1, 1968 and renewed for 20 years beginning on August 18, 2014.
5. Oil Mining Lease No. 88 granted on December 1, 1968 and renewed for 20 years beginning on August 18, 2014.

END OF EXHIBIT B

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EXHIBIT C – ASSIGNMENT DOCUMENTS

LIST OF ASSIGNMENT DOCUMENTS

1. Deed of Assignment between Seller and Buyer with respect to Seller's interest in OML 86.
2. Deed of Assignment between Seller and Buyer with respect to Seller's interest in OML 88.
3. Joint Operating Agreement Amendment Agreement between NNPC and Seller

END OF EXHIBIT C

EXHIBIT D – ACCOUNTING ADJUSTMENTS

This Exhibit D identifies the Accounting Adjustments. The Accounting Adjustments identified below shall increase or decrease the Purchase Price, depending on whether the adjustment amounts are positive or negative. If an event or circumstance could be interpreted as adjusting the Purchase Price in more than one Accounting Adjustment, or in an Accounting Adjustment and pursuant to a separate provision of the Agreement, the Purchase Price shall only be adjusted once for any such amount.

1. WORKING CAPITAL ADJUSTMENT

1.1 The Working Capital Adjustment is the adjustment amount calculated in accordance with the following items:

- (A) "Joint Account" means any joint account held by the Operator in accordance with the JOA and any relevant pipeline operating agreement.
- (B) "Liabilities" means the liabilities accrued by the Joint Account but unpaid as at the Effective Date.
- (C) "Materials Inventory" means the value of equipment, materials and supplies acquired or held for use in connection with the Assets and includes but is not limited to, such items held at the wellsite, onshore warehouse, vendor's yards, offshore sites and in transit.
- (D) "Other Assets" means other assets due to the Joint Account, but unpaid as of the Effective Date.
- (E) "Overlift/Underlift" means, in relation to the interest of the Seller in a field, the amount in barrels or MCFs by which the aggregate amount of oil or gas lifted by that Seller on and before the Effective Date exceeds (in the case of Overlift) or falls short of (in the case of Underlift) the aggregate amount of production entitlement on and before the Effective Date attributable to that interest.
- (F) "Stored Petroleum Substances" means Petroleum Substances in pipe and tanks as of the Effective Date.
- (G) "VAT Receivable/Payable" means Value Added Tax due to or from the Joint Account, but not recovered or paid as of the Effective Date.

1.2 The Purchase Price shall be adjusted by the Working Capital Adjustment in accordance with the following procedure:

- (A) Adding together the amounts of the VAT Receivable, Other Assets, Stored Petroleum Substances, Materials Inventory and Underlifts (the "Positive Balance") with respect to the Assets.
- (B) Adding together the amounts of any overdraft balance, VAT Payable, Liabilities and Overlifts (the "Negative Balance") with respect to the Assets.
- (C) Deducting each Negative Balance from each Positive Balance, and adding together the net balances.

1.3 Valuation.

- (A) For all elements of the Working Capital Adjustments, other than Overlift and Underlift, the amounts shall be derived from the statements provided by the Operator (joint venture billings).
- (B) For valuation of Overlift and Underlift, the amounts shall be the average price per barrel/MCF received by Seller from sales in the thirty (30) day period prior to the Effective Date. In the case of Overlift, the resulting valuation shall be reduced by the Tax and, if applicable, royalty paid or to be paid, by the Seller on such Overlift/Underlift. These amounts shall be calculated by reference to the statements provided by the Operator, and otherwise in accordance with the Agreement.

- 1.4 Seller shall prepare a statement of the Working Capital Adjustment for each of the categories listed in Section 1.1 of this Exhibit D, using a form similar to Exhibit E—Preliminary Settlement Statement Form. Seller shall submit such statement to Buyer as part of the Preliminary Settlement Statement.

2. CASH CALL ADJUSTMENT

- 2.1 The Purchase Price shall be increased by the Cash Call Adjustment. The Cash Call Adjustment is the sum of all cash calls and invoices paid in respect of the Assets by Seller during the Interim Period and which are for joint venture billings relating to periods after the Effective Date pursuant to the Asset Documents.

3. PETROLEUM SUBSTANCES SALES ADJUSTMENT

- 3.1 The Purchase Price shall be decreased by the Petroleum Substances Sales Adjustment. The Petroleum Substances Sales Adjustment is the sum of all receipts under or in connection with any contract for the sale or supply of Petroleum Substances from and in relation to the Assets on or after the Effective Date and, in respect of oil lifted or natural gas or natural gas liquids is delivered at any time on or after the Effective Date, are received by or credited to Seller, less transportation, quality adjustments, if any, and royalty payments made by Seller from the sale of Petroleum Substances.

- (A) No Petroleum Sales Adjustment shall result from receipts under or in connection with any contract for the sale or supply of Petroleum where such receipts have not been received by or credited to Seller prior to the Closing Date. In these circumstances, Seller shall pay Buyer the amount in Dollars equal to such receipts following each receipt by or crediting to Seller of any such receipts after Closing.
- (B) Any payments made by Seller to Buyer under this Section shall decrease the Purchase Price where any oil is lifted or natural gas or natural gas liquids is delivered prior to the Closing Date and shall have no effect on the Purchase Price where such lifting or delivery takes place after the Closing Date.

4. OTHER RECEIPTS ADJUSTMENTS

- 4.1 The Purchase Price shall be decreased by the Other Receipts Adjustments. Other Receipts Adjustments are the amounts of all income and other receipts received by Seller (other than those dealt with by the Petroleum Substances Sales Adjustment) in

respect of the Assets during the Interim Period, subject to both of the following limitations:

- (A) Any such income or receipt which relates to any period prior to the Effective Date and which has not been taken into account shall inure to the benefit of Seller,
- (B) The Purchase Price shall not be decreased by any rebate of insurance premium received by virtue of Seller's insurance of the Assets terminating on the Closing Date (or any similar rebate), which shall be for Seller's Account.

5. OTHER EXPENDITURES ADJUSTMENT

- 5.1 The Purchase Price shall be increased by the Other Expenditures Adjustment. The Other Expenditures Adjustment is the sum of all expenditures incurred or paid in respect of the Assets by Seller during the Interim Period, which are not covered in other provisions of this Exhibit D, including demurrage, brokers' fees (other than fees of stockbrokers and advisers engaged in relation to the matters referred to in this Exhibit D), insurance premium and deductibles and all other costs and expenses incurred or paid by Seller in connection with the Assets and in respect of the period on and after the Effective Date. In the case of insurance premiums, deductibles are in respect only of the period between the Effective Date and the Closing Date and which have not been met by cash calls or other payments taken into account under the foregoing provisions of this Exhibit D.

6. TAX ADJUSTMENT

- 6.1 The Purchase Price shall be increased by the amount of the adjustment for Taxes set forth in Section 15.2(E)(1).

7. TIME VALUE ADJUSTMENT

- 7.1 The Purchase Price shall be increased by the following Time Value Adjustment amounts:
 - (A) The "Time Value Adjustment" means an amount equal to a rate of LIBOR plus four percent (4%) per annum cumulative return on the Purchase Price Balance, net of any amount received by or paid to Seller Group as: (i) a Distribution Adjustment; (ii) a Cash Call Adjustment; and/or (iii) a Working Capital Amount adjustment, in each case accrued on a daily basis (assuming a fiscal year of 360 days), for a term equal to the Interim Period.

END OF EXHIBIT D

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EXHIBIT E – PRELIMINARY SETTLEMENT STATEMENT FORM

1. FORM OF WORKING CAPITAL STATEMENT

Interest	100% Joint Venture	Interest %	Interest Share
As per Joint Venture Billings			
Cash			
VAT Receivable/Payable			
Other Assets			
Stored Petroleum Substances			
Material Inventory			
Liabilities			
As per [terminal accounts]			
Overlift/Underlift – in Barrels			
US\$ Price Per Barrel			
US\$/Naira			
Value on Overlift/Underlift in			
TOTAL WORKING CAPITAL			

2. CASH CALL ADJUSTMENTS

3. JOINT VENTURE BILLING ADJUSTMENTS

4. PETROLEUM SUBSTANCES SALES ADJUSTMENTS

5. OTHER RECEIPTS ADJUSTMENTS

6. OTHER EXPENDITURE ADJUSTMENTS

7. TAX ADJUSTMENT (OTHER THAN TRANSACTION TAXES)

8. ADMINISTRATIVE FEE ADJUSTMENT

9. TIME VALUE ADJUSTMENTS

10. TRANSACTION TAXES

END OF EXHIBIT E

EXHIBIT F - PURCHASE PRICE APPORTIONMENT

	OML 86	OML 88
<u>Intangible Assets</u>		
1. Assigned Petroleum Substances	\$140,000,000.00	\$65,000,000.00
2. Rights to Assigned Petroleum Substances	\$10,000,000.00	\$5,000,000.00
3. Additional Assets	\$2,000,000.00	\$1,000,000.00
<u>Tangible Assets</u>		
4. Facilities	\$15,000,000.00	\$2,500,000.00
5. Wells	\$8,000,000.00	\$1,500,000.00
<u>Total:</u>	\$175,000,000.00	\$75,000,000.00

END OF EXHIBIT F

EXHIBIT G – FORM OF DECOMMISSIONING SECURITY

DATE: [Insert Date]
APPLICANT: [Insert Applicant Name and Address]
BENEFICIARY: **CHEVRON NIGERIA LIMITED**
2, Chevron Drive, Lekki Peninsula, Lagos State, Nigeria

By order and for the account of [Insert Applicant Name] ("Applicant"), [Insert Bank Name] (the "Bank" or "we" or "us" or "our") hereby opens our irrevocable standby letter of credit no. [Insert Number] (this "Letter of Credit") in favor of **CHEVRON NIGERIA LIMITED** ("Beneficiary" or "you") for an amount up to One Hundred Million U.S. dollars (US\$100,000,000), expiring at our counters with the close of business on [Insert Date].

Payments under this Letter of Credit are available to Beneficiary upon presentation of a statement in the form of Annex 1 attached to this Letter of Credit purportedly signed by an authorized representative of Beneficiary. The amount of such draft will not exceed One Hundred Million U.S. dollars (US\$100,000,000). Such presentation may be made to us in person or by courier.

Multiple and partial drawings may be made under this Letter of Credit. Each drawing paid by us will permanently reduce the available amount of this Letter of Credit by the amount paid. Notwithstanding any contrary provision in this Letter of Credit, in no event will the total of the amounts payable under this Letter of Credit exceed One Hundred Million U.S. dollars (US\$100,000,000) in the aggregate.

The expiration date of this Letter of Credit will be automatically extended without amendment for additional periods of one year from the present or any future expiration date of this Letter of Credit, unless we notify Beneficiary by certified mail at least sixty (60) calendar days prior to the expiration date then applicable, that we elect not to renew this Letter of Credit for an additional one-year period.

Each presentation under this Letter of Credit will be honored by [Insert Time] p.m. on the day on which such demand is received if such demand is received before [Insert Time] on that day. Any demand received after that time will be honored by [Insert Time] p.m. on the next day on which we are open for business. Payments must be made in full without any deduction or withholding (whether in respect of set off, counterclaim, duties, present or future taxes, charges or otherwise whatsoever).

All fees associated with this Letter of Credit are for the Applicant's account.

Spelling and typographical errors are not to be considered discrepancies, except for numbers and amounts.

All amendments and notices to Beneficiary must be delivered via courier at 2, Chevron Drive, Lekki Peninsula, Lagos State, Nigeria, Attention: General Counsel.

If the original Letter of Credit is lost, stolen, mutilated or destroyed, then, subject to Beneficiary providing us with an indemnity stating that Beneficiary shall indemnify us for all losses it may incur as a result of issuing a replacement letter of credit, we shall issue a replacement letter of credit.

This Letter of Credit is freely transferrable and the proceeds of draws under this Letter of Credit are freely assignable.

Sale and Purchase Agreement - OML 86 & 88.
Execution Version

This Letter of Credit is subject to the International Standby Practices 98, International Chamber of Commerce Publication Number 590 ("ISP 98") (excluding Rule 3.12). As to matters not governed by ISP 98, this Letter of Credit will be governed by the laws of the England (without regard to conflicts of law provisions). We irrevocably agree that any legal action or proceeding with respect to this Letter of Credit must be brought in the courts of England.

Please direct any correspondence including drawing or inquiry to us at [Insert Bank Name, Address, or Other Contact Information].

BANK:

[INSERT ISSUING BANK NAME]

By:

Name: [Insert Authorized Name - Bank]

Title: [Insert Authorized Title - Bank]

END OF EXHIBIT G

EXHIBIT H - SEISMIC DATA AND FORM OF DATA LICENSE

1. SEISMIC DATA

S/N	OML	Survey name	Year Acquired	Type	Coverage (sq. Km / km)	Terrain	Year Processed	Year Reprocessed 1	Year Reprocessed 2	Remark
1	86	FUNIWA-NORTH APOI	1986	3D	108	SHALLOW MARINE	1988	1995-1996	1999-2000	
2	86	FUNIWA-NORTH APOI OBC	2005-2006	3D	310	SHALLOW MARINE	2006-2008	N/A	N/A	2C OBC, PSTM.
3	86	OKUBIE	1995	3D	250	SHALLOW MARINE	1996	2000	N/A	Unsuccessful attempt to reprocess in 2011-2012.
4	86	FUNIWA TEST	2011	2D	46	SHALLOW MARINE	2012	N/A	N/A	4C OBC, PSTM.
5	86	SENGANA NW 2D	1984	2D	300	SHALLOW MARINE	1984	N/A	N/A	
6	86	OKUBIE-SENGANA 2D	1986	2D	250	SHALLOW MARINE	1986-1987	N/A	N/A	
7	88	PENNINGTON	1991	3D	146	SHALLOW MARINE	1991-1992	1999-2000	2011-2012	Repro 2= PSTM. Acquisition Report Not available.
8	88	MIDDLETON-EKEH	1988	3D	185	SHALLOW MARINE	1988-1989	1996-1997	2011-2012	Repro 2= PSTM
9	88	CHIOMA	1995-1996	3D	452	SHALLOW MARINE	1996-1998	2010-2011	N/A	Repro 1= PSTM. Acquisition Report Not available.
10	88	PENNINGTON-2D	1983-1984	2D	212	SHALLOW MARINE	1984	1986	N/A	Acquisition and Processing Reports Not available.
11	88	MIDDLETON-EKEH 2D	1983-1984	2D	12	SHALLOW MARINE	1984	1986	N/A	Acquisition and Processing Reports Not available.

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2. FORM OF DATA LICENSE

DATA LICENSE AGREEMENT

BETWEEN

CHEVRON NIGERIA LIMITED

AND

[]

OIL MINING LEASES 86 & 88

NIGERIA

Effective Date

[]

7/11/11
O.A.

DATA LICENSE AGREEMENT

This **DATA LICENSE AGREEMENT** ("Agreement") dated as of [•] (the "**Effective Date**") is made between **Chevron Nigeria Limited**, a company incorporated under the laws of the Federal Republic of Nigeria, with its registered office at 2 Chevron Drive P.M.B. 12825, Lekki Peninsula, Lagos, Nigeria ("**CHEVRON**" or "**Licensee**"), and **Nigerian National Petroleum Corporation**, a corporation established under the laws of the Federal Republic of Nigeria, with its head office at NNPC Towers, Herbert Macaulay Way, Central Business District, Garki, Abuja, Nigeria ("**Licensor**").

RECITALS

- A. Pursuant to the Sale and Purchase Agreement between CHEVRON and Licensor dated 9 April 2021 (the "**SPA**"), CHEVRON agreed to sell and Licensor agreed to purchase certain assets as more particularly described in the SPA, including the Data (as defined in the SPA).
- B. CHEVRON has requested that Licensor grant to CHEVRON and its Affiliates a license to use the Licensor Acquired Data, and Licensor has agreed to grant CHEVRON a license to use the Licensor Acquired Data on the terms and conditions of this Agreement.
- C. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the SPA.
- D. In consideration of the mutual promises set out in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, Licensor and CHEVRON agree to be bound by the terms of this Agreement.

AGREEMENT

1. DEFINITIONS, INTERPRETATION AND APPENDICES

- 1.1 **Definitions.** The following terms as used in this Agreement shall have the following meanings:

"**Affiliate**" means any legal entity which controls, is controlled by, or is under common control with, another legal entity. An entity is deemed to "control" another if it owns directly or indirectly at least fifty percent of either of the conditions set out below. Affiliates of CHEVRON expressly include Chevron Corporation, Chevron U.S.A. Inc., and all divisions of Chevron U.S.A. Inc.

- (1) The shares entitled to vote at a general election of directors of such other entity.
- (2) The voting interest in such other entity if such entity does not have either shares or directors.

"**Applicable Laws**" mean laws, regulations, statutes, codes, rules, orders, permits, policies, licenses, certifications, decrees, standards or interpretations imposed by any governmental authority that apply to this Agreement or the Licensed Data.

"**Appendix**" means a document referred to in Section 1.4.

"CHEVRON Group" means CHEVRON, CHEVRON's Affiliates, Joint Venture Group, contractors, subcontractors, and directors, officers, employees and other personnel of all of them, and any Person acting on behalf of any of them in connection with this Agreement.

"Claim" means any claim, liability, loss, demand, damage, lien, cause of action of any kind, order, obligation, cost, royalty, fee, assessment, duty, charge, penalty, fine, judgment, interest and award (including recoverable legal counsel fee and cost of litigation of the Person asserting the claim), whether arising by law, contract, tort, voluntary settlement or in any other manner.

"Deliverables" means the Licensor Acquired Data Deliverables.

"Derivative Data Product" means any product, analysis, interpretation and other information derived from the Licensor Acquired Data that are prepared by or on behalf of CHEVRON or its Affiliates.

"Dispute" means any dispute or controversy arising out of this Agreement, including a Claim under this Agreement and any dispute or controversy regarding the existence, construction, validity, interpretation, enforceability, termination or breach of this Agreement, whether based in contract or tort or in any other manner.

"Effective Date" means the date defined as "Effective Date" in the introductory paragraph of this Agreement.

"Government Official" means any officer or employee of any government (including federal, state, local, municipal and national governments, and any governmental department, agency, company or other instrumentality) or Public International Organization, or any political party official or any candidate for political office.

"Joint Venture Group" means any Person who has an agreement with the Licensee or an Affiliate of Licensee to explore, lease, operate, participate in (including by option, royalty, production sharing, non-operating interest or other means) or develop areas of mutual interest or operating units or otherwise to join together to explore for, acquire, develop, produce or utilize petroleum, natural gas or other hydrocarbons.

"Licensed Data" means Licensor Acquired Data.

"Licensee" means CHEVRON in its capacity as a licensee of Licensor Acquired Data.

"Licensee Group" means Licensee, Licensee's Affiliates, Joint Venture Group and their Affiliates, and the directors, officers and employees of all of them (excluding Licensor Group).

"Licensor" means [*] in its capacity as a licensor of the Licensor Acquired Data.

"Licensor Acquired Data" means the data acquired by Licensor under the SPA, regardless of the form or medium on which it is displayed or stored, as more specifically described in Appendix A - Description of Licensor Acquired Data and Licensor Acquired Data Deliverables and all related materials. The term "Licensor Acquired Data" does not include Derivative Data Products.

"Licensor Acquired Data Deliverables" means the deliverables as more specifically described in Appendix A - Description of Licensor Acquired Data and Licensor Acquired Data Deliverables and all related materials.

"Licensor Group" means Licensor, Licensor's Affiliates, Joint Venture Group and their Affiliates, and the directors, officers and employees of all of them.

"Party" means [•] or CHEVRON and "Parties" mean both of them.

"Person" means an individual, corporation, company, association, partnership, state, statutory corporation, government entity or any other legal entity.

"Prospective Purchaser" means any Person taking steps or expressing an interest in acquiring all voting securities or assets of Licensee.

"Prospective Venture Participant" means a prospective investor or a prospective participant with the Licensee taking steps or expressing an interest in participating in a farm-out, option, royalty arrangement, production sharing, exploration or development project, area of mutual interest, operating unit, joint acquisition of acreage or other similar arrangement related to the exploration for or the acquisition, production or utilization of petroleum, natural gas or other hydrocarbons.

"Public International Organization" means an international organization formed by states, governments, or other public international organizations, whatever the form of organization and scope of competence.

"Transaction Taxes" mean any value added tax, goods and services tax, sales tax, other excise taxes and/or other similar taxes.

1.2 Interpretation. Unless the context expressly requires an interpretation to the contrary, all of the following apply to the interpretation of this Agreement:

- (A) The plural and singular words each include the other.
- (B) The masculine, feminine and neutral genders each include the others.
- (C) The word "or" is not exclusive.
- (D) The words "include" and "including" are not limiting.

References to matters "arising" (or which "arise" or "arises") "out of this Agreement" include matters which arise in connection with this Agreement or have a causal connection with, or which flow from, this Agreement or which would not have arisen or occurred but for the entering into this Agreement or the performance of or failure to perform obligations under this Agreement.

1.3 Appendices.

- (A) All of the Appendices that are attached to the body of this Agreement are an integral part of, and are incorporated by reference into this Agreement, including:
 - (I) Appendix A – Description of Licensor Acquired Data and Licensor Acquired Data Deliverables

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2. GRANT OF LICENSES

- 2.1 **Grant of License for Licensor Acquired Data.** Licensor grants to CHEVRON and its Affiliates, and CHEVRON accepts from Licensor, a worldwide, perpetual and non-exclusive license to use the Licensor Acquired Data in accordance with this Agreement.
- 2.2 **No Grant of Licensor Acquired Data Ownership.** No right of ownership, express or implied, is granted to CHEVRON under this Agreement with respect to Licensor Acquired Data.

3. DERIVATIVE PRODUCTS

- 3.1 **Rights to Derivative Data.** CHEVRON and/or its Affiliates shall own all intellectual property rights over its Derivative Data Products. Licensor shall have no ownership rights over or in connection with CHEVRON's or its Affiliate's Derivative Products.
- 3.2 **Licensor Acquired Data Reprocessing.** CHEVRON, and its Affiliates, may filter, migrate, reformat and reprocess the Licensor Acquired Data using software or other technology. Such work is Derivative Data Product and may be accomplished by CHEVRON or its Affiliates, or, subject to Section 4.2, by a consultant, data processor or other third party that performs similar work as a service to others. CHEVRON is not required to provide a copy of reprocessed Licensor Acquired Data to Licensor if the reprocessing was done at the cost of CHEVRON or an Affiliate of CHEVRON.
- 3.3 **Restrictions.** The express provisions in this Agreement governing confidentiality and disclosure of Licensed Data apply to any of the following:
- (A) Any portions of the Derivative Data Products that directly incorporate actual Licensed Data, values or magnitudes.
 - (B) Licensee's reprocessed Licensed Data that directly incorporates actual Licensed Data, values or magnitudes.

4. CONFIDENTIALITY OBLIGATIONS AND EXCEPTIONS FOR CERTAIN RECIPIENTS

- 4.1 **Confidentiality.**
- (A) In consideration of Licensor disclosing the Licensed Data to Licensee, Licensee agrees to keep the Licensed Data confidential in accordance with the terms of this Agreement or as may be subsequently authorized in writing by Licensor.
 - (B) Subject to Section 4.2, Licensee shall not disclose, trade or otherwise divulge the Licensed Data to any Person, other than to its Affiliates or other Persons or entities permitted by this Agreement, without the prior written consent of Licensor. Any use of the Licensed Data by an Affiliate shall be subject to the terms of this Agreement, including those relating to confidentiality.
 - (C) Licensor shall keep this Agreement and all information provided to Licensor by Licensee under this Agreement confidential, and shall not disclose, and shall ensure that all members of Licensor Group do not disclose, any such information, the existence of this Agreement or the fact that this Agreement has been signed to any other Person without the prior written consent of Licensee.

4.2 Permitted Disclosure and Use.

- (A) Licensee may disclose and allow the use of the Licensed Data without Licensors' prior written consent to any of the following Persons:
- (1) Employees, officers and directors of Licensee or Licensee's Affiliates.
 - (2) Contractors, consultants, data processors, data management contractors or agents retained by Licensee or Licensee's Affiliates.
 - (3) Any bank or other financial institution or entity funding or proposing to fund Licensee's or Licensee's Affiliates' participation in a venture, including any consultant retained by such bank or other financial institution or entity.
 - (4) Joint Venture Group members, in accordance with Section 5.
 - (5) Prospective Venture Participants and Prospective Purchasers in accordance with Section 6.
- (B) Prior to making a disclosure to a Person under Sections 4.2(A)(2), 4.2(A)(3), 4.2(A)(4) or a Prospective Venture Participant or a Prospective Purchaser under Section 6, Licensee shall ensure that an obligation of confidentiality is in place for such disclosure.

5. DISCLOSURE TO JOINT VENTURE GROUP MEMBERS.

- (A) Licensed Data may be disclosed to and used on behalf of any Joint Venture Group members holding a license to use the Licensed Data.
- (B) Licensee may display or disclose representative seismic sections of Licensed Data over a localized area to Joint Venture Group members not holding a license to the Licensed Data in meetings of the Joint Venture Group to approve a work program, or participation in or development of, areas of mutual interest or operating units, or similar circumstances. In these circumstances, no copies of the representative seismic sections may be provided to such Joint Venture Group members.
- (C) Licensee is not obligated to pay or contract for the right of other members of a Joint Venture Group to use the Licensed Data. Each member of a Joint Venture Group that desires to use the Licensed Data shown to it by Licensee which the member of the Joint Venture Group has not already licensed must first obtain a license from Licensors for that Licensed Data. The cost of such license to the member of the Joint Venture Group will be determined by the Licensors.

6. DISCLOSURE TO PROSPECTIVE VENTURE PARTICIPANTS AND PROSPECTIVE PURCHASERS.

- (A) **Licensed Data Disclosure.** Subject to Section 4.2(B), Licensee may show the Licensed Data to a Prospective Venture Participant or Prospective Purchaser provided that such display is for the purpose of permitting the Prospective Venture Participant or the Prospective Purchaser to evaluate its possible participation in such venture or to evaluate its possible acquisition of an interest from Licensee in an asset covered by the Licensed Data, or portion thereof.

Any such disclosure to a Prospective Venture Participant or to a Prospective Purchaser shall be subject to the provisions of Section 4.2(B) and 6(B).

- (B) **Viewing and Copies.** The Licensee may show the Licensed Data to a Prospective Venture Participant or a Prospective Purchaser, including their consultants, in accordance with the following:
- (1) Disclosure shall be limited to such portions of the Licensed Data directly pertaining to the prospects, assets or properties under negotiation or evaluation and shall be done in a secure environment and under the supervision and control of Licensee or its designee.
 - (2) Licensee shall not provide a Prospective Venture Participant or a Prospective Purchaser with a copy of the Licensed Data, or portion thereof, for viewing or use outside of Licensee's premises or the data room, and will not allow any such party to retain or remove a copy of the Licensed Data, or portion thereof, from Licensee's premises or the data room, except for representative seismic sections, or portions thereof, to the minimal extent necessary to define a potential prospect.
 - (3) The Prospective Venture Participant or a Prospective Purchaser must agree to return representative sections, or portions thereof, to Licensee within thirty days of their receipt or when requested by Licensee, whichever is earliest. The Prospective Venture Participant or Prospective Purchaser shall not make any copies of the representative sections or portions thereof.
- (C) **License to New Member of Joint Venture Group.** Each new member of a Joint Venture Group that desires to use the Licensed Data shown to it by Licensee pursuant to this Section 6(C) must first obtain a license from Licensor for that Licensed Data, to be provided at no cost.
- (D) **License to Purchaser.** If Licensee sells part of its shares or assets, or its interest in a property to a Prospective Purchaser and the purchaser wishes to view or use Licensed Data after the sale has closed, the Licensee shall advise the purchaser that before it can view or use the Licensed Data it must enter into a license agreement with Licensor for any of the Licensed Data which the Prospective Purchaser has not already licensed. The cost of any such license to the purchaser will be determined by the Licensor.

No license or transfer fee shall be payable with respect to an assignment to an Affiliate of Licensee.

- 6.2 **Exception to Scope of Confidentiality Obligations.** None of the confidentiality, use, or disclosure restrictions set forth in this Agreement shall apply to any information or Licensed Data that satisfies any of the following conditions:

- (A) Is already in possession of the public or becomes available to the public other than through the act or omission of Licensee.
- (B) Is required to be disclosed under Applicable Laws or stock exchange regulations. In these circumstances, Licensee shall give prior written notice to Licensor before the time of disclosure.

(C) Is required to be disclosed by a governmental order, decree, regulation subpoena, or rule or order of any competent court, or by any similar legal process to any governmental agency, board or tribunal. Licensee shall give prior written notice to Licensors before the time of disclosure.

(D) Was previously acquired or is subsequently acquired independently from a third party that had the right to disseminate the information at the time it was acquired by Licensee or an Affiliate of Licensee.

6.3 **Equitable Relief.** Licensee acknowledges that the remedies available at law, including monetary damages, may be inadequate to protect Licensors against a breach of the confidentiality, use and disclosure restrictions under this Agreement and that Licensors shall be entitled to seek equitable relief, including injunctive relief and specific performance in the event of any such breach or threatened breach of the confidentiality, use and disclosure restrictions of this Agreement by Licensee.

7. REPRESENTATIONS AND WARRANTIES

7.1 **No representations and warranties.** Licensee acknowledges that it is accepting all Licensed Data "AS IS". Licensors make no representations or warranties, express or implied, regarding the quality, completeness or accuracy of the Licensed Data. Licensee expressly acknowledges the inherent risk of error in physical acquisition, processing and interpretation of the Licensed Data. Licensors shall have no liability with respect to reliance upon the quality, completeness or accuracy of the Licensed Data by the Licensee or its Affiliates.

8. EFFECTIVENESS AND TERMINATION

8.1 **Term.** This Agreement is effective as of the Effective Date and continues in effect unless terminated in accordance with Section 8.2.

8.2 **Termination.** Either Party may terminate this Agreement at any time by giving written notice to the other Party in the event of a material breach of the terms of this Agreement which, if capable of remedy, is not remedied by the Party in breach within thirty (30) days of such Party receiving written notice of the breach from the non-breaching Party.

8.3 **Return or Destruction of Licensed Data.** Upon the termination of this Agreement under Section 8.2, the following shall apply:

(A) Licensee ceases to use any Licensed Data and shall return or cause to be returned to Licensors or shall destroy or cause to be destroyed all Licensed Data under this Agreement if requested by Licensors. To the extent Licensee's computer systems may automatically back-up such information, Licensee may retain such Licensed Data in its archival back-up computer storage for the period it normally archives back-up computer records but such retained Licensed Data shall remain at all times subject to the confidentiality and use restrictions of this Agreement. If Licensors request, Licensee shall certify in writing to Licensors that it has complied with this Section 8.3(A).

(B) Except as provided in Section 8.3(C) for reprocessed Licensed Data, Licensee shall not be required to return or destroy Derivative Data Products.

- (C) Licensee shall not be required to return any Licensed Data reprocessed by or on behalf of Licensee or its Affiliates to satisfy the obligations of Section 6.3(A), provided that Licensee instead destroys such reprocessed Licensed Data.

9. CONFLICT OF INTEREST, IMPROPER INFLUENCE AND ADDITIONAL OBLIGATIONS

9.1 Conflict of Interest

- (A) **Prohibition.** No member of Licensors Group or Licensee Group may engage in any of the following activities:

- (1) Give to or receive from any director, employee or agent of the other Party or any of its Affiliates in connection with this Agreement, either of the following:

- (a) Any gift, entertainment or other benefit of significant cost or value.

- (b) Any commission, fee or rebate.

- (2) Enter into any business arrangement with any director, employee or agent of Licensee or any of its Affiliates (other than as a representative of Licensee or its Affiliate) without the other Party's prior written consent.

- (B) **Reporting Violations and Reimbursement.** Each Party (the "Defaulting Party") shall immediately notify the other Party (the "Non-Defaulting Party") of any violation of Section 9.1(A) or of the occurrence of any event prior to the Effective Date which, if it had occurred after the Effective Date, would constitute a violation of Section 9.1(A). In addition to any other remedies to which the Non-Defaulting Party may be legally entitled, and notwithstanding termination of this Agreement pursuant to Section 9.1(C), the Defaulting Party shall reimburse or issue a credit to the Non-Defaulting Party equal to the value of the benefit received by or given to any director, employee or agent of the Non-Defaulting Party or any of its Affiliates as a consequence of that violation or event.

- (C) **Termination.** The Non-Defaulting Party may, at its sole option, terminate this Agreement with immediate effect for any violation by the Defaulting Party of Section 9.1(A). If the Non-Defaulting Party terminates this Agreement for violation of Section 9.1(A), the Non-Defaulting Party is not obligated to pay compensation or reimbursement to the Defaulting Party for any Licensed Data, Deliverables, or for expenses incurred after the date of termination.

9.2 Improper Influence

- (A) **Prohibition.** No member of Licensors Group or Licensee Group may offer or make any payment or offer or give anything of value to any Government Official, any immediate family member of a Government Official, or any political party to influence the Government Official's or organization's decision or to gain any other advantage for Licensee Group, Licensors Group or any of them arising out of this Agreement. In addition, no member of

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Licensor Group or Licensee Group shall offer or make any payment or offer or give anything of value to any Person if the member knows or has reason to believe that any portion of the payment or gift will be given directly, indirectly or through a third party to any Government Official, any immediate family member of any Government Official or any political party.

- (B) **Reporting Violations and Reimbursement.** The Defaulting Party shall immediately notify the Non-Defaulting Party of any violation of Section 9.2(A) or of the occurrence of any event prior to the Effective Date which, if it had occurred after the Effective Date, would constitute a violation of Section 9.2(A). In addition to any other remedies to which the Non-Defaulting Party may be legally entitled and notwithstanding termination of this Agreement pursuant to Section 9.2(C), the Defaulting Party shall pay the Non-Defaulting Party an amount equal to the amount of the payment or the value of the gift paid or given in that violation or event.
- (C) **Termination.** The Non-Defaulting Party may, at its sole option, terminate this Agreement with immediate effect for any violation by the Defaulting Party of Section 9.2(A). If the Non-Defaulting Party terminates this Agreement for violation of Section 9.2(A), the Non-Defaulting Party is not obligated to pay compensation or reimbursement to the Defaulting Party for Licensed Data, Deliverables, or for expenses incurred after the date of violation or event in question.

9.3 **Compliance with Applicable Laws.** Without limiting any other provision in this Agreement, each Party shall comply and shall ensure that all members of Licensor Group or Licensee Group (as applicable) comply with all Applicable Laws, authorizations, registrations, concessions and clearances. Nothing in this Agreement shall require the Parties to comply with Applicable Laws if such requirement would be inconsistent with U.S. laws, including antiboycott laws.

9.4 **Economic Sanctions; Trade Restrictions.**

- (A) CHEVRON's controlling Affiliate is a U.S. company with a policy requiring it to comply with all Applicable Laws, including economic sanctions and trade restrictions imposed by the U.S. government. CHEVRON has undertaken to provide its parent organization with any information relevant to its potential involvement with any party that may be the target of such sanctions and restrictions. Accordingly, Licensor shall provide CHEVRON with ninety days advance notice of the names and addresses of any member of Licensor Group which may be any of the following:
- (1) The target of, or owned or subject to, controlled by any country, institution, organization, entity or Person that is the target of, economic sanctions and trade restrictions imposed by the U.S. government.
 - (2) Debarred or excluded or declared ineligible to participate in U.S. government contracts, or contracts, grants or other programs financed in whole or part by the U.S. government.
 - (3) Listed by the U.S. Departments of Commerce or State as an entity which U.S. Persons may not engage in export or re-export related transactions.

10. TAXES AND IMPORT/EXPORT OBLIGATIONS

- 10.1 **Licensor's Taxes.** Licensor is responsible (and shall not seek reimbursement from Licensee) for all liabilities or Claims for taxes that any taxing authority may assess or levy against Licensor relating to this Agreement including all of the following:
- (A) **Income/Franchise.** Income, withholding, excess profit or other taxes, charges or imposts assessed or levied on account of Licensor's earnings, taxable margins, receipts (including gross receipts), or franchise taxes for the privilege or actual conduct of business that are measured by Licensor's net worth, capital, surplus or undivided profits.
 - (B) **Personnel.** Taxes assessed or levied against, or on account of, compensation or other benefits paid to Licensor's employees.
 - (C) **Property.** Taxes assessed or levied against or on account of, or by reference to the value of, any property, materials or equipment of Licensor.
 - (D) Taxes assessed or levied against, or on account of or by reference to, the value of this Agreement.
- 10.2 **Licensee's Taxes.** Licensee is responsible for all liabilities or Claims for taxes that any taxing authority may assess or levy against Licensee relating to this Agreement (except for erroneous assessments or levies of taxes described in Section 8.1).
- 10.3 **Transaction Taxes.** If any Transaction Taxes apply, these taxes shall be separately identified on Licensor's invoices and collected and paid by Licensor to the appropriate governmental agency as required by Applicable Law (except to the extent Licensee advises Licensor that in accordance with Applicable Laws, Licensee will be responsible for self-assessing and paying these taxes). Licensor shall provide Licensee on a timely basis with invoices, tax receipts and any other documentation that may be required for Licensee to obtain tax reimbursement, credit, abatement or refund of any Transaction Taxes assessed against Licensee and collected by Licensor. Any Transaction Taxes applicable to transactions between Licensor and its vendors and/or Licensor Group are solely for the Licensor's account.
- 10.4 **Reports and Withholding.** Licensor shall comply with all Applicable Laws on a timely basis and take all actions necessary to make its tax payments. Licensor shall provide Licensee with written proof that it has made all registrations and reports required for these tax payments if requested by Licensee. Subject to Applicable Laws, Licensor shall cooperate with Licensee to reduce the amount of applicable taxes and Licensor shall not take any action that is prejudicial to obtaining an available tax exemption or import/export exemption. If Licensor claims a tax exemption or import/export exemption that may affect any obligations of Licensee, Licensor shall disclose this exemption to Licensee on a timely basis and provide Licensee with all exemption documentation requested by Licensee. Licensee will, as required by Applicable Laws, report, withhold and remit to the tax authorities any tax due on account of this Agreement based on the certifications or written representations provided by Licensor and accepted by Licensee. Licensee will provide Licensor with tax receipts (or other proof of payment if receipts are unavailable) for any withheld taxes, but will not reimburse Licensor for withheld taxes. Licensor will report, withhold and remit to the tax authorities any tax required by Applicable Laws to be withheld on account of this Agreement by any member of Licensor Group and their vendors.

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- 10.5 **Protest Rights.** Licensor shall promptly and timely notify Licensee of any pending or actual assessment of Transaction Tax for which Licensor may seek reimbursement from Licensee. "Promptly and timely" means that Licensor's notice must allow Licensee enough time and a reasonable opportunity to appeal, protest or litigate the pending or actual assessment in an appropriate venue. To the extent Licensor fails to give prompt and timely notice, Licensee will not reimburse Licensor for these taxes, charges or associated costs. At Licensee's request and cost, Licensor shall initiate an appeal, protest or litigation in Licensor's name if Licensor is the only party that can legally do so. If Licensee or any member of the Licensee Group is required to pay any amount indemnified by Licensor under Section 11.5 in order to pursue an appeal, protest or litigation, Licensor shall reimburse Licensee or such member of Licensee Group for that amount promptly upon receipt of a written request from Licensee.
- 10.6 **Tax Records.** Licensor shall maintain (and ensure that Licensor Group maintains) records sufficient to substantiate all taxes, import or export costs, fees, indemnities or other payments that may affect any obligations of Licensee and which are the responsibility of Licensor under this Section 8 for so long as the longest applicable statute of limitations remains open with respect to taxes or import or export costs paid or allegedly due in connection with this Agreement. These records shall be provided at Licensee's request and in the format required by Licensee.
- 10.7 **Imports and Exports.** Licensor shall be responsible for exporting and importing Licensed Data and Deliverables for delivery to Licensee and complying with all Applicable Laws including those of the country of export and country of origin. Licensor shall obtain all necessary permits, licenses, authorizations and clearances for the export and import of Licensed Data and Deliverables. If Licensor provides Licensed Data and Deliverables subject to an export license or authorization that contains any restrictions and/or conditions on/for the use, transfer, re-export or release of Licensed Data and Deliverables, Licensor shall notify Licensee of said conditions and restrictions in writing at the time the Licensed Data and Deliverables are provided to the Licensee. All import and export costs, charges and temporary import/export bonds, if any shall be for Licensor's account.

11. CLAIMS, LIABILITIES AND INDEMNITIES

- 11.1 **ACQUISITION AND PROCESSING OF THE LICENSED DATA.** Licensor shall defend, protect, indemnify and hold harmless Licensee Group from any Claims arising out of Licensor's activities in acquiring or processing the Licensed Data.
- 11.2 **INTELLECTUAL PROPERTY.** Licensor shall defend, protect, indemnify and hold harmless Licensee Group against claimed or actual infringement or contributory infringement of any patent, or infringement of any copyright or trademark, or misappropriation of any trade secret arising out of the Licensed Data provided by Licensor under this Agreement. Licensee shall promptly notify Licensor if Licensee is threatened with a Claim or becomes aware of any actual or potential third-party Claim against it or any member of the Licensee Group concerning the matters addressed in this Section 11.2.
- 11.3 **CONFLICT OF INTEREST AND IMPROPER INFLUENCE INDEMNITY.** Each Party (the "Indemnifying Party") indemnifies the other Party ("Indemnitee") against Claims that arise out of or in connection with any violation of Section 9.1(A) or 9.2(A).

11.4 **BREACH OF APPLICABLE LAW INDEMNITY.** The Indemnifying Party indemnifies the Indemnitee against Claims that arise out of this Agreement which relate to any breach of Applicable Law by Indemnifying Party.

11.5 **INDEMNITY FOR TAXES AND IMPORT OR EXPORT COSTS.** Licensor indemnifies Licensee Group against all liabilities and Claims that may be assessed or levied against Licensee Group in connection with Licensor's tax and import/export obligations arising out of this Agreement as well as any taxes imposed on Licensee as a consequence of receiving any indemnity payment under this Agreement. If Licensor's failure to comply with any requirement of Section 10 results in failure to pay any import or export costs or failure to obtain any necessary permits, licenses, authorizations or customs clearances, Licensor indemnifies Licensee Group against all Claims relating to such action or failure to act.

11.6 **LIMITATION ON CLASSES OF DAMAGES.** Except for Claims stemming from third party Claims, the Parties mutually waive and release to the extent permitted by Applicable Laws, all of the following Claims for damages arising out of this Agreement, whether such Claims are made in connection with a breach of any obligation under this Agreement or any other Claim:

(A) Indirect or consequential loss, including:

- (1) Loss of production, including production of petroleum or petroleum products;
- (2) Loss of prospective economic advantage or benefit;
- (3) Loss of business opportunity.

(B) Punitive or exemplary damages.

(C) Lost profits.

11.7 **DEFENSE OF CLAIMS.**

(A) When a Party indemnifies the other Party against Claims, the indemnifying Party shall defend and hold the indemnified Party's group members harmless against those Claims and against all reasonable costs, expenses and fees of any kind (including attorneys' fees) incurred by the indemnified Party in defending those Claims.

(B) Any cost, expenses and fees of any kind (including attorneys' fees) indemnified by the indemnifying Party under Section 9.7 is in addition to any amounts indemnified under this Agreement that are subject to a maximum liability amount.

(C) A Person seeking to rely on an indemnity has the right to reasonably object to counsel selected by the indemnifying Party and select alternative counsel at the cost of the indemnifying Party.

12. **RIGHTS TO TRANSFER OR ASSIGN**

12.1 **Change in Ownership or Control.** If a Prospective Purchaser acquires ownership or control of a Party or otherwise acquires all or substantially all the assets of a Party (a

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"Change of Control") it shall be entitled to a transfer of such Party's interest under this Agreement at no further cost.

- 12.2 **Assignment to an Affiliate.** Either Party may assign or otherwise transfer all or a part of this Agreement or its rights and obligations under this Agreement at any time to an Affiliate of that Party without prior consent of the other Party. No license or transfer fee shall be payable with respect to an assignment to an Affiliate of a Party.
- 12.3 **Assignment by Party.** Each Party shall be entitled to assign its rights and obligations under this Agreement to any Person not an Affiliate of that Party upon prior written consent from the other Party.

13. GOVERNING LAW AND RESOLUTION OF DISPUTES

- 13.1 **Governing Law.** This Agreement is governed by and interpreted under and in accordance with the laws of the Federal Republic of Nigeria, without regard to its choice of law rules. The United Nations Convention on Contracts for the International Sale of Goods, 1980 (known as "the Vienna Sales Convention") does not apply to this Agreement.
- 13.2 **Resolution of Disputes.** The Parties shall exclusively and finally resolve any Dispute between them using direct negotiations, mediation and arbitration as set out in Section 13, except as permitted in Section 6.3 and Section 13.8.
- 13.3 **Direct Negotiations.** If a Dispute arises, a Party shall initiate the resolution process by giving notice setting out, in writing and in detail, the issues in Dispute and the value of the Claim to the other Party. A meeting between the Parties, attended by individuals with decision-making authority, must take place within thirty days from the date the notice was sent in an attempt to resolve the Dispute through direct negotiations.
- 13.4 **Mediation.** If the Dispute cannot be resolved by direct negotiations within thirty days of initiation of the resolution process, either Party may initiate mediation by giving notice to the other Party. Mediation shall be attended by individual(s) representing each Party with decision-making authority and the proceeding shall take place in Lagos, Nigeria.
- 13.5 **Arbitration.** If the Dispute is not resolved by mediation within sixty days from the date of the notice requiring mediation, then the Dispute shall be finally resolved by binding arbitration and either Party may initiate such arbitration by giving notice to the other Party. The arbitration shall be conducted in accordance with the United Nations Commission on International Trade Law ("UNCITRAL") Arbitration Rules, except to the extent of conflicts between the UNCITRAL Arbitration Rules and the provisions of this Agreement, in which event the provisions of this Agreement prevail. The International Centre for Dispute Resolution (in the case of Disputes involving one or more non-U.S. parties) or the American Arbitration Association (in the case of Disputes involving all U.S. parties) is the appointing authority. The place of arbitration shall be Lagos, Nigeria.
- 13.6 **Arbitration Proceedings.** The following provisions shall apply to any arbitration proceedings commenced pursuant to Section 13.5:
 - (A) The number of arbitrators shall be one if the monetary value of the Dispute is US\$5,000,000 (or its currency equivalent) or less. The number of arbitrators

shall be three if the monetary value is greater than US\$5,000,000 or its currency equivalent.

- (B) The arbitrator(s) must be fluent in the English language and the language of the arbitral proceeding shall be in English.
- (C) The arbitrator(s) must remain neutral, impartial and independent regarding the Dispute and the Parties. If the number of arbitrators to be selected is one, that arbitrator must be a lawyer experienced in the resolution of disputes with experience relating to the issues in Dispute.
- (D) The Parties shall submit true copies of all documents considered relevant with their respective statement of Claim or defense, and any counterclaim or reply. Neither Party may compel the other to produce additional documents. However, the arbitrator(s) may require the submission of additional documents limited to specific, narrow and well-defined classes of documents that the arbitrator(s) considers necessary for resolution of the Dispute. The maximum number of witnesses each Party may call to give evidence on its behalf, including by oral testimony, declaration or witness statement, is three witnesses of fact and one expert witness.
- (E) A Party producing, submitting or offering any document which is not in the English language shall also provide an English translation of the document by a qualified, independent third party translator at that Party's sole expense. If the testimony of a witness must be translated, the Party proffering the witness shall pay the cost of translation.
- (F) The Parties waive any Claim for, and the arbitrator(s) has no power to award, the damages waived and released under Section 11.6. The arbitrator(s) has no authority to appoint or retain expert witnesses for any purpose unless agreed to by the Parties. The arbitrator(s) has the power to rule on objections concerning jurisdiction, including the existence or validity of this arbitration provision and existence or the validity of this Agreement.
- (G) The arbitrator(s) is authorized to take any interim measures which it considers necessary, including the making of interim orders or awards, or partial final awards. An interim order or award may be enforced in the same manner as a final award using the procedures specified in Section 13.8.
- (H) Subject to Section 11.6 and Section 13.6(E) regardless of which Party prevails, all arbitration fees and costs shall be paid equally, and each Party shall bear its own costs of legal representation and witnesses.

13.7 Arbitral Award.

- (A) The arbitrator(s) must render a reasoned award in writing. The award is final and binding.
- (B) The Dispute shall be resolved as quickly as possible. The arbitration award must be issued within three months from completion of the hearing, or as soon as possible thereafter.

- (C) Proceedings to enforce judgment entered on an award may be brought in any court having jurisdiction over the Person or assets of the non-prevailing Party. The prevailing Party may seek, in any court having jurisdiction, judicial recognition of the award, or order of enforcement or any other order or decree that is necessary to give full effect to the award.

13.8 Judicial Proceedings.

- (A) The Parties may apply to a court for:
- (1) Interim measures as necessary until appointment of the arbitrator(s), or pending determination by the arbitrator(s).
 - (2) Preserving property pending determination by the arbitrator(s).
 - (3) Enforcing judgment entered on an award.
 - (4) Enforcing Section 13.9 of this Agreement and preventing any information, documents or materials disclosed during those proceedings from being used or disclosed by that Party for any purpose other than enforcement of Section 13.9.
 - (5) Other judicial proceedings or recourse that the Parties cannot validly waive.
- (B) Except for proceedings to preserve property pending determination by the arbitrator(s) or to enforce an award, the mandatory exclusive venue for any judicial proceeding expressly permitted in this Agreement is the Nigerian courts. The Parties consent to the jurisdiction of these courts and waive any defenses they have regarding jurisdiction.
- (C) The Parties agree that this Section 13.8 shall not constitute a waiver of the right to arbitration.

13.9 Confidentiality.

- (A) The Parties agree that any Dispute and any negotiations, mediation and arbitration proceedings between the Parties in relation to any Dispute shall be confidential and will not be disclosed to any third party.
- (B) The Parties further agree that any information, documents or materials created or produced for the purposes of, or used in, negotiations, mediation or arbitration of any Dispute shall be confidential and will not be disclosed to any third party.
- (C) Without prejudice to the foregoing, the Parties agree that disclosure of the information set forth in Section 13.9(A) and Section 13.9(B) above may be made under the following circumstances:
- (1) With prior written notice to the other Party, in order to enforce any of the provisions of this Agreement including without limitation, the Parties agreement to arbitrate, any arbitration order or award and any court judgment.

- (2) With prior written notice to the other Party, to the auditors, legal advisers, insurers and Affiliates of that Party to whom the confidentiality obligations set out in this Agreement shall extend.
- (3) With prior written notice to the other Party, where that Party is under a legal or regulatory obligation to make such disclosure, but limited to the extent of that legal obligation.
- (4) With the prior written consent of the other Party.

14. NOTICES AND CONTACT INFORMATION

14.1. Notices.

- (A) All notices required or permitted under this Agreement must be in writing and delivered by mail (postage prepaid), or by hand delivery to the address of the receiving Party set out in the signature page to this Agreement.
- (B) Notices are effective when received by the recipient during the recipient's regular business hours.
- (C) Notices which do not comply with the requirements of this Agreement are ineffective.

14.2. Contact Information.

- (A) The contact information of each Party under this Agreement are set out in the signature page to this Agreement.
- (B) Each Party may change its contact information by giving notice to the other Party. If a notice is given under this Section 13.2 (B) the contact information which is set out in the notice replaces the contact information as set out in this Agreement.

15. GENERAL PROVISIONS

- 15.1 **Prior Agreements.** This Agreement comprises the complete and exclusive agreement between the Parties regarding the subject matter of this Agreement and supersedes all oral and written communications, negotiations, representations or agreements in relation to that subject matter made or entered into before the Effective Date. This Agreement does not serve to void or supersede currently active, valid and properly executed license agreements and supplements between any member of the Licensor Group and any member of the CHEVRON Group.
- 15.2 **Amendments.** No amendment to this Agreement is effective unless made in writing and signed by authorized representatives of both Parties.
- 15.3 **Waiver.** A Party's failure to pursue remedies for breach of this Agreement does not constitute a waiver by that Party of any breach of this Agreement or raise any defense against Claims for breach of this Agreement. The waiver or failure to require the performance of any agreement or obligation contained in this Agreement, or failure to pursue remedies for breach of this Agreement, does not waive a later breach of that agreement or obligation.

- 15.4 **Severability.** Each provision of this Agreement is severable and if any provision is determined to be invalid, unenforceable or illegal under any existing or future law by a court, arbitrator of competent jurisdiction or by operation of any Applicable Laws, this invalidity, unenforceability or illegality does not impair the operation of or affect those portions of this Agreement that are valid, enforceable and legal.
- 15.5 **The Parties' Responsibility for Obligations.** Each party is responsible for all legal, tax and contractual obligations arising out of this Agreement for those who perform services, license data or purchase products on that Party's behalf. The Parties are not relieved from any liability or obligation under this Agreement as a result of that Party's use of others, or the other Party's approval of those who license data on the licensing party's behalf.
- 15.6 **Survival.** All provisions in this Agreement containing representations, warranties, releases, defense obligations and indemnities, and all provisions relating to audit, tax, import/export/customs, Party's invoices, confidentiality, disclaimer of certain remedies, limitations of liability, ownership or use or return of Licensed Data, retention and inspection of records, dispute resolution and governing law, and all causes of action which arose prior to completion or termination, survive indefinitely until, by their respective terms, they are no longer operative or are limited by an applicable statute of limitations.
- 15.7 **Public Announcements.** The Parties shall not issue any public announcement, press release or statement concerning this Agreement or make any use of the other Party's Group's names, image, logos or trademarks without obtaining that Party's prior written consent.
- 15.8 **Counterparts.** The Parties can execute this Agreement in any number of counterparts, each of which shall be deemed an original of this Agreement, and which together shall constitute one and the same instrument. Neither Party shall be bound to this Agreement unless and until both Parties have executed a counterpart.

The remainder of this page is intentionally left blank.

IMPORTANT NOTICE: THIS AGREEMENT CONTAINS PROVISIONS REGARDING INDEMNITIES AND WARRANTIES THAT EXPRESS THE AGREEMENT OF THE PARTIES CONCERNING CLAIMS ARISING OUT OF THIS AGREEMENT.

The Parties have executed this Agreement as evidenced by the following signatures of authorized representatives of the Parties:

LICENSOR:
[.]

CHEVRON:
CHEVRON NIGERIA LIMITED

Signature:

Signature:

Name:

Name:

O.R.A. TRA

Title:

Title:

Signature:

Name:

Title:

ADDRESS FOR NOTICES:

ADDRESS FOR NOTICES:

Attention:

Attention:

**APPENDIX A - DESCRIPTION OF LICENSOR ACQUIRED DATA AND
LICENSOR ACQUIRED DATA DELIVERABLES**

1. DESCRIPTION OF LICENSOR ACQUIRED DATA

1.1 The Licensor Acquired Data licensed under this Agreement is as follows:

See attachment to this Exhibit A.

2. LICENSOR ACQUIRED DATA DELIVERABLES

2.1 **Address for Licensor Acquired Data Deliverables.** Licensor has delivered the Licensor Acquired Data Deliverables to CHEVRON at the address set out in the Preamble of this Agreement:

2.2 **List of Licensor Acquired Data Deliverables.** Licensor shall deliver the following Licensor Acquired Data Deliverables to CHEVRON:

(A) A copy of the Licensor Acquired Data.

2.3 **Timing of Delivery.**

(A) Delivery shall take place on the Closing Date.

(B) Under this Agreement, delivery is deemed to have occurred when the Licensor Acquired Data Deliverables have been received by CHEVRON at CHEVRON's address under Section 2.1 of this Appendix.

2.4 **Additional Copies.** Any additional copies of the Licensor Acquired Data, related materials or other deliverables requested by CHEVRON shall be provided by Licensor at CHEVRON's expense, provided the rates shall not exceed reasonable charges in effect at the time of request.

**ATTACHMENT TO APPENDIX A
LICENSOR ACQUIRED DATA**

S/N	OML	Survey name	Year Acquired	Type	Coverage (sq. Km / km)	Terrain	Year Processed	Year Reprocessed 1	Year Reprocessed 2	Remark
1	86	FUNIWA-NORTH APOI	1986	3D	108	SHALLOW MARINE	1988	1995-1996	1999-2000	
2	86	FUNIWA-NORTH APOI OBC	2005-2006	3D	310	SHALLOW MARINE	2006-2008	N/A	N/A	2G OBC, PSTM.
3	86	OKUBIE	1995	3D	250	SHALLOW MARINE	1996	2000	N/A	Unsuccessful attempt to reprocess in 2011-2012.
4	86	FUNIWA TEST	2011	2D	46	SHALLOW MARINE	2012	N/A	N/A	4C OBC, PSTM.
5	86	SENGANA NW 2D	1984	2D	300	SHALLOW MARINE	1984	N/A	N/A	
6	86	OKUBIE-SENGANA 2D	1986	2D	250	SHALLOW MARINE	1986-1987	N/A	N/A	
7	88	PENNINGTON	1991	3D	146	SHALLOW MARINE	1991-1992	1999-2000	2011-2012	Repro 2= PSTM. Acquisition Report Not available.
8	88	MIDDLETON-EKEH	1988	3D	185	SHALLOW MARINE	1988-1989	1996-1997	2011-2012	Repro 2= PSTM
9	88	CHIOMA	1995-1996	3D	452	SHALLOW MARINE	1996-1998	2010-2011	N/A	Repro 1= PSTM. Acquisition Report Not available.
10	88	PENNINGTON 2D	1983-1984	2D	212	SHALLOW MARINE	1984	1986	N/A	Acquisition and Processing Reports Not available.
11	88	MIDDLETON-EKEH 2D	1983-1984	2D	12	SHALLOW MARINE	1984	1986	N/A	Acquisition and Processing Reports Not available.

END OF EXHIBIT H

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EXHIBIT I-1 FORM OF LETTER OF CREDIT

DATE: [Insert Date]
APPLICANT: [Insert Applicant Name and Address]
BENEFICIARY: **CHEVRON NIGERIA LIMITED**
2, Chevron Drive, Lekki Peninsula, Lagos State, Nigeria

By order and for the account of [Insert Applicant Name] ("Applicant"), [Insert Bank Name] (the "Bank" or "we" or "us" or "our") hereby opens our irrevocable standby letter of credit no. [Insert Number] (this "Letter of Credit") in favor of **CHEVRON NIGERIA LIMITED** ("Beneficiary" or "you") for an amount up to [Insert Amount in Words] U.S. dollars (\$[Insert Amount in Numbers]), expiring at our counters with the close of business on [Insert Date].

Payments under this Letter of Credit are available to Beneficiary upon presentation of a statement in the form of Annex 1 attached to this Letter of Credit purportedly signed by an authorized representative of Beneficiary. The amount of such draft will not exceed [Insert Amount in Words] U.S. dollars (\$[Insert Amount in Numbers]). Such presentation may be made to us in person, or by courier or facsimile transmission. Presentations by facsimile transmission are permitted to us at facsimile no. [Insert Fax Number], Attention: [Insert Name].

Multiple and partial drawings may be made under this Letter of Credit. Each drawing paid by us will permanently reduce the available amount of this Letter of Credit by the amount paid. Notwithstanding any contrary provision in this Letter of Credit, in no event will the total of the amounts payable under this Letter of Credit exceed [Insert Amount in Words] U.S. dollars (\$[Insert Amount in Numbers]) in the aggregate.

The expiration date of this Letter of Credit will be automatically extended without amendment for additional periods of one year from the present or any future expiration date of this Letter of Credit, unless we notify Beneficiary by certified mail at least sixty (60) calendar days prior to the expiration date then applicable, that we elect not to renew this Letter of Credit for an additional one year period.

Each presentation under this Letter of Credit will be honored by [Insert Time] p.m. on the day on which such demand is received if such demand is received before [Insert Time] on that day. Any demand received after that time will be honored by [Insert Time] p.m. on the next day on which we are open for business. Payments must be made in full without any deduction or withholding (whether in respect of set off, counterclaim, duties, present or future taxes, charges or otherwise whatsoever).

All fees associated with this Letter of Credit are for the Applicant's account.

Spelling and typographical errors are not to be considered discrepancies, except for numbers and amounts.

All amendments and notices to Beneficiary must be delivered via courier at 2, Chevron Drive, Lekki Peninsula, Lagos State, Nigeria, Attention: General Counsel.

If the original Letter of Credit is lost, stolen, mutilated or destroyed, then, subject to Beneficiary providing us with an indemnity stating that Beneficiary shall indemnify us for all losses it may incur as a result of issuing a replacement letter of credit, we shall issue a replacement letter of credit.

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This Letter of Credit is freely transferrable and the proceeds of draws under this Letter of Credit are freely assignable.

This Letter of Credit is subject to the International Standby Practices 98, International Chamber of Commerce Publication Number 590 ("ISP 98") (excluding Rule 3.12). As to matters not governed by ISP 98, this Letter of Credit will be governed by the laws of the England (without regard to conflicts of law provisions). We irrevocably agree that any legal action or proceeding with respect to this Letter of Credit must be brought in the courts of England.

Please direct any correspondence including drawing or inquiry to us at [Insert Bank Name, Address, or Other Contact Information].

BANK:
[INSERT ISSUING BANK NAME]

By:
Name: [Insert Authorized Name - Bank]
Title: [Insert Authorized Title - Bank]

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ANNEX 1 TO STANDBY LETTER OF CREDIT
NO. [Insert Credit Number]
dated [Insert Date]

[Insert Date]

[Insert Issuing Bank Name]
[Insert Issuing Bank Address]

Re: Letter of Credit No. [Insert Letter of Credit Number] dated [Insert Letter of Credit Date]

Dear Ladies and Gentlemen:

This is a demand for payment of [Insert Specify Amount In Words] U.S. dollars (\$[Insert Specific Amount In Numbers]) under the above-referenced standby letter of credit. We certify that we are entitled to demand payment under such letter of credit pursuant to Section 2.4 of that certain Sale and Purchase Agreement, dated as of [--], between Chevron Nigeria Limited, as seller, and [--], as buyer, as amended or supplemented from time to time.

Please pay the amount demanded to the following account:

[Insert Specific Details]

BENEFICIARY:

CHEVRON NIGERIA LIMITED

By:

Name:

Title:

END OF EXHIBIT I - 1

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SCHEDULE 1 – PERMITTED ENCUMBRANCES

1. GENERAL PERMITTED ENCUMBRANCES

- 1.1. Encumbrances arising by operation of law, including any Claim by a Government Entity or Tax Authority arising by operation of law.
- 1.2. Any encumbrance, non-participating royalties, overriding royalties, net profits interests, production payments, security interests, or other burdens applicable to the Area not disclosed on Schedule 1.1(B)– Permitted Encumbrances if the net cumulative effect of such burdens does not operate to reduce the net revenue in any Assets to an amount less than the net revenue interest set forth in Exhibit A--Description of Assets or increase the working interest of any Assets from that set forth in Exhibit A--Description of Assets without a corresponding increase in the revenue interest.
- 1.3. The terms and conditions of any agreements with a Third Party governing the Area and operations being conducted with respect thereto, including any preferential rights of purchase or any similar restriction applicable to the Assets which waivers or consents are obtained from the appropriate parties prior to Closing or the appropriate time period for asserting such rights has expired without an exercise of such rights.
- 1.4. Encumbrances granted or created in connection with the operations relating to the Assets.
- 1.5. Easements, rights of way, servitudes, permits, surface leases or other similar rights, provided they do not materially interfere with the operation or use of the Assets.
- 1.6. The right of a Government Entity to levy taxes on Hydrocarbons or the income or revenue therefrom.
- 1.7. Agreements for the sale of Hydrocarbons that are terminable on not more than thirty (30) days' notice.
- 1.8. Regulations and any rights reserved to or vested in any Government Entity to control or regulate the Assets in any manner.
- 1.9. Undetermined or inchoate liens incurred or created as security in connection with the development or operation of the Assets for Seller's share of the costs and expenses of those operations, which costs and expenses are not delinquent as of the Closing Date or liens which have expired as a matter of law.
- 1.10. Liens granted in the ordinary course of business to a public utility, municipality or Government Entity in respect of operations pertaining to any of the Assets.
- 1.11. Encumbrances associated with approvals, consents, notices or waivers routinely or customarily given after a conveyance or asset sale.

2. SPECIFIC PERMITTED ENCUMBRANCES

- 2.1. Marginal Fields Farm-Out Agreement between the Nigerian National Petroleum Corporation and Chevron Nigeria Limited (as 'Farmor') and Movido Exploration and Production (Nigeria) Limited (as 'Farmee') for the Farmout of the Ekeh Field within Oil Mining Lease 88.

- 2.2. Marginal Fields Farm-Out Agreement between the Nigerian National Petroleum Corporation and Chevron Nigeria Limited (as 'Farmor') and Goland Petroleum Development Company Limited (as 'Farnee') for the Farmout of the Oriri Field within Oil Mining Lease 88.
- 2.3. Middleton Production Platform Lease Agreement between the Nigerian National Petroleum Corporation and Chevron Nigeria Limited (as 'Joint Venture Parties') and Movido Exploration and Production (Nigeria) Limited for the lease of the Middleton Production Platform within Oil Mining Lease 88.

END OF SCHEDULE 1

SCHEDULE 5.1 SELLER DISCLOSURES

None.

END OF SCHEDULE 5.1

SCHEDULE 5.1(E) – LITIGATION AND ARBITRATION

1. The items listed in Schedule 13.2(B) are incorporated herein by reference.

END OF SCHEDULE 5.1(E)

**Sale and Purchase Agreement - OML 86 & 88
Execution Version**

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SCHEDULE 13.2(B) - RETAINED LIABILITIES

1. All litigation in respect of the K.S. Endeavour rig fire incident which occurred on 16 January 2012.
2. The following litigation that commenced prior to the Effective Date and involve certain OMLs, including OML 86 or OML 88:
 - a. FHC/YNG/CS/427/2003 - Boogbaa S. Boogbaa & Ors. v Texaco Overseas (Nigeria) Petroleum Company Unlimited (TOPCON)
 - b. FHC/YNG/CS/415/2003 - Berri Famous & 2 Ors. v Chevron Nigeria Limited (CNL)
 - c. CA/PH/195/2015 - Pastor Joe Ebiwari & Ors. v CNL & Ors.
 - d. FHC/PH/CS/10/2020 - Chief Goodnews Gereghewei & Ors. v CNL & Ors
 - e. CA/PH/44M/2018 - Hon. Amos Geregere & Ors. v CNL & Ors.
 - f. CA/PHC/473/2009 - Nimideinbofa Mathew & Ors. v CNL (Relisted)
 - g. Appeal No. TAT/SSZ/002/2020 - CNL v. Bayelsa State Board of Internal Revenue
 - h. Appeal No. TAT/SSZ/004/2020 - CNL v. Bayelsa State Board of Internal Revenue
 - i. Suit No. YHC/59/2016 - CNL v Bayelsa State Physical Planning and Development Board & Anor.
 - j. Appeal No. CA/PH/223/2018 - Bayelsa State Physical Planning Board & Anor. v CNL
 - k. Suit No. EHC/95/2002 - Goodluck Jackson & Ors. v CNL