

DATE: 24 January 2017

**CALL OPTION DEED
IN RESPECT OF INTERESTS IN
THE SULLOM VOE TERMINAL, THE NINIAN PIPELINE SYSTEM, THE NORTHERN
LEG GAS PIPELINE, THE MAGNUS FIELD AND THE MAGNUS SOUTH FIELD**

Between

BP EXPLORATION OPERATING COMPANY LIMITED

AND

ENQUEST NNS LIMITED

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THIS DEED is made on 24th January 2017

BETWEEN:

- (1) **BP EXPLORATION OPERATING COMPANY LIMITED**, a company incorporated in England & Wales (company number 00305943), having its registered office at Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP (the "**Seller**"); and
- (2) **ENQUEST NNS LIMITED**, a company incorporated in England & Wales (company number 10573715 having its registered office at 5th Floor, Cunard House, 15 Regent Street, London, SW1Y 4LR (the "**Buyer**").

WHEREAS:

- (A) The Seller is the owner of the Additional Sale Interests.
- (B) The Seller has agreed to grant a call option in favour of the Buyer in respect of the Additional Sale Interests on the terms and conditions set out in this Deed.
- (C) EnQuest Parent has agreed to guarantee certain obligations of the Buyer under this Deed pursuant to the Call Option Guarantee.
- (D) The Parties have entered into the following Transaction Documents on the same date as this Deed:
 - (i) the SPA;
 - (ii) the SPA Guarantee;
 - (iii) the Security Trust and Waterfall Deed; and
 - (iv) each of the Transfer of Operatorship Agreements.

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

- 1.1 Defined terms used in the main body of this Deed and the recitals but not defined in Clause 1.2 below shall have the meanings given to them in Paragraph 1.1 of Schedule 2.
- 1.2 In this Deed, unless the context otherwise requires:

"**Additional Sale Interests**" has the meaning given to it in Schedule 2

"**Acquisition**" has the meaning given to it in Clause 5.2.1

"**Agreed Form Novation Agreement(s)**" has the meaning given to it in the Security Trust and Waterfall Deed

"**Announcement**" has the meaning given to it in Clause 6.2.2

"**Call Option**" has the meaning given in to it Clause 2.1

"**Call Option Guarantee**" means the deed of guarantee in substantially the form set out in Schedule 3 to be given by EnQuest Parent to the Seller on or before exercise of the Call Option

"**Call Option Notice**" means a notice substantially in the form set out in Schedule 1

"**Call Option Notice Date**" means the date on which a valid Call Option Notice is received by the Seller pursuant to Clause 2.3

"Call Option Period" has the meaning given to it in Clause 2.3

"Deed" means this Deed, including its recitals and Schedules (and the Exhibits to its Schedules)

"Dispute" has the meaning given to it in Clause 6.25

"EnQuest Parent" means EnQuest PLC, a company incorporated in England & Wales (company number 07140891) having its registered office at 5th Floor, Cunard House, 15 Regent Street, London, SW1Y 4LR

"Notice" has the meaning given to it in Clause 6.20

"Notified Address" has the meaning given to it in Clause 6.22

"Parties" means the Buyer and the Seller, including their respective successors in title and permitted assigns, and the term **"Party"** shall be construed accordingly

"Permitted Method" has the meaning given to it in Clause 6.21

"Pre-contractual Statement" has the meaning given to it in Clause 6.19

"Re-Transfer SPA" has the meaning given to it in the Security Trust and Waterfall Deed

"Sale and Purchase Terms" means the terms and conditions set out in Schedule 2

"SPA" means the sale and purchase agreement in relation to certain interests in the Sullom Voe Terminal, the Ninian Pipeline System, the Northern Leg Gas Pipeline, the Magnus Field and the Magnus South Field between the Buyer and the Seller signed on the same date as this Deed

"SPA Guarantee" means the deed of guarantee given by EnQuest Parent to the Seller dated as of the date of this Deed in respect of the Buyer's obligations under the SPA and the Magnus Joint Operating Agreement

2. GRANT OF THE CALL OPTION

The Call Option

- 2.1 The Seller hereby grants to the Buyer an irrevocable and unconditional right to purchase the Additional Sale Interests on the terms set out in this Deed (the **"Call Option"**).
- 2.2 On the exercise of Call Option (under and in accordance with Clause 2.3), the Seller shall be bound to sell the Additional Sale Interests to the Buyer, and the Buyer shall be bound to purchase the Additional Sale Interests from the Seller on the Sale and Purchase Terms.

Exercise of the Call Option

- 2.3 The Call Option shall be exercisable at any time on and after 1 July 2018 until on or before 15 January 2019 (such period being the **"Call Option Period"**), by the Buyer delivering the Call Option Notice to the Seller in accordance Clauses 6.20 to 6.22.
- 2.4 Without prejudice to the rights of termination set out in paragraphs 4.7, 4.8, 4.9 and 6.2 of Schedule 2, once the Buyer has delivered the Call Option Notice to the Seller in accordance with Clause 2.3, the Call Option Notice shall be irrevocable.
- 2.5 Nothing in this Deed shall oblige the Buyer to exercise the Call Option and the Buyer may, in its sole discretion, elect whether or not to deliver the Call Option Notice to the Seller. If prior to delivery of a Call Option Notice to the Seller, there is a breach by the Seller of the Seller's Warranties (or an event or circumstance exists which would mean that there would be a breach of the Seller's Warranties when such warranties are given) and the Buyer nevertheless elects to deliver a Call Option Notice to the Seller, any right the Buyer may have to make a Buyer Claim

(including a claim for breach of the Seller's Warranties) shall be preserved and shall be unaffected.

- 2.6 On or before the exercise by the Buyer of the Call Option, the Buyer shall deliver to the Seller the Call Option Guarantee duly executed by EnQuest Parent.

No partial exercise

- 2.7 The Call Option shall be exercisable only in respect of all of the Additional Sale Interests and not in respect of only part or some of the Additional Sale Interests.

3. PERIOD BETWEEN SIGNING AND EXERCISE OF CALL OPTION

- 3.1 From the date of this Deed and until the Call Option Notice Date or the earlier termination of this Deed in accordance with its terms, the Seller shall comply with the following undertakings:

3.1.1 if completion under the SPA has not occurred, all of the undertakings set out in schedule 3 to the SPA as if set out herein *mutatis mutandis* (save that references in such undertakings to: (i) the term "Interests" shall be read and construed as if such reference were to the "Additional Sale Interests"; (ii) the term "Interests Documents" shall be read and construed as if such reference were to the "Additional Sale Interests Documents"); or

3.1.2 if completion under the SPA has occurred, those undertakings set out in paragraphs 1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5, 1.1.7, 1.1.9, 1.1.10, 1.1.11, 1.1.12 and 1.1.14 of schedule 3 to the SPA as if set out herein *mutatis mutandis* (to the extent the same is not available to the Buyer pursuant to the Magnus Joint Operating Agreement) (save that references in such undertakings to: (i) the term "Interests" shall be read and construed as if such reference were to the "Additional Sale Interests"; (ii) the term "Interests Documents" shall be read and construed as if such reference were to the "Additional Sale Interests Documents"),

provided that paragraphs 1.2 to 1.4 of schedule 3 of the SPA shall apply *mutatis mutandis* in respect of the period from the date of this Deed until the date on which the Buyer exercises the Call Option.

- 3.2 As soon as practicable after the date of this Deed and in any event within four (4) months of the date of this Deed, the Parties shall negotiate in good faith in order to agree an agreed form of joint operating agreement which will be the "New Magnus JOA" for the purpose of the Re-Transfer SPA, and which shall be based on the form of the Transfer JOA (as defined in the Magnus Joint Operating Agreement) with appropriate amendments to reflect the terms of the Re-Transfer SPA. If the Parties (acting reasonably) are unable to agree such an agreed form of joint operating agreement within the four (4) month period specified above, the Parties shall continue to attempt to seek agreement by the Call Option Notice Date, and failing such agreement, the "New Magnus JOA" for the purpose of the Re-Transfer SPA shall be in the form of the Transfer JOA (as defined in the Magnus Joint Operating Agreement) with amendments to those provisions within clauses 14, 16 and paragraph 4 of schedule 2 that will have no purpose or effect following Completion.

4. TERMINATION

- 4.1 If the Call Option has not been exercised on or prior to the expiry of the Call Option Period this Deed shall automatically terminate (unless the Parties agree otherwise in writing) and the provisions of Clause 4.2 shall apply.

- 4.2 Where this Deed is terminated pursuant to either Clause 4.1 or paragraphs 4.5, 4.7, 4.8, 4.9 or 6.2 of Schedule 2, all rights and obligations of the Parties under this Deed shall terminate (except Clauses 1, 4.2 and 6 which shall remain in full force and effect following such termination) and no Party shall have any claim against or liability to the other Party, except for:
- 4.2.1 any breach of this Deed occurring prior to the date of such termination;
 - 4.2.2 any accrued rights or obligations of a Party under this Deed; and
 - 4.2.3 any breach by a Party of its continuing obligations under Clauses 1, 4.2 and 6.

5. CALL OPTION GUARANTEE

- 5.1 Pursuant to Clause 2.6, the Buyer shall provide to the Seller the Call Option Guarantee duly executed by EnQuest Parent.
- 5.2 If following the Call Option Notice Date:
- 5.2.1 a body corporate other than EnQuest Parent becomes the ultimate parent company of the Buyer (the "**Acquisition**"); and
 - 5.2.2 the business, operations, assets, liabilities, condition (whether financial, trading or otherwise), prospects or operating results of EnQuest Parent at any time after the Acquisition deteriorates so that EnQuest Parent is in a materially worse financial position than it was at the date of this Deed,

the Buyer shall within five (5) Business Days of a written request from the Seller procure the delivery to the Seller of a replacement guarantee in substantially the same form as the Call Option Guarantee from either (at the Buyer's election): (a) the new ultimate parent company of the Buyer; or (b) an affiliate of the new ultimate parent company of the Buyer which has a financial position which is substantially similar to or better than the financial position of EnQuest Parent as at the date of this Deed, and the Seller shall simultaneously execute all documents which the Buyer (acting reasonably) considers necessary to terminate the pre-existing Call Option Guarantee from EnQuest Parent.

6. GENERAL

Confidentiality and Announcements

- 6.1 Without prejudice to the terms of the SPA and subject to Clause 6.2, each Party shall treat as strictly confidential and not disclose or use any information received or obtained as a result of entering into or performing this Deed which relates to:
- 6.1.1 the subject matter and the provisions of this Deed and any other Transaction Document;
 - 6.1.2 the negotiations relating to this Deed and any other Transaction Document; or
 - 6.1.3 the other Party (including any other members of the Seller's Group or any members of the Buyer's Group (as the case may be)).
- 6.2 A Party may disclose information referred to in Clause 6.1, if and to the extent disclosure is:
- 6.2.1 required by the Law of any relevant jurisdiction or by any stock exchange or any regulatory, governmental or antitrust body or for the purpose of any judicial proceedings arising out of any Transaction Document;

- 6.2.2 made in a public announcement, circular or communication (each an “**Announcement**”) concerning the existence or content of this Deed by any Party (including for these purposes any members of the Seller’s Group or any members of the Buyer’s Group, respectively) if, and to the extent that, the Announcement in the opinion of the disclosing Party (acting reasonably), is required to be made by Law or by any stock exchange or any regulatory, governmental or antitrust body pursuant to the rules and/or regulations of any Government Entity or Taxation Authority to which the Party (or the relevant member of the Seller’s Group or the Buyer’s Group, as the case may be) making the Announcement is subject, whether or not any of the same has the force of Law, provided that any Announcement shall, so far as is practicable, be made after consultation with the other Party in respect of the timing and contents of such Announcement;
- 6.2.3 required by contractual obligations existing as at the date of this Deed (including the terms of this Deed);
- 6.2.4 made by the Seller to any members of the Seller’s Group or the Buyer to any members of the Buyer’s Group provided that the Seller or the Buyer, as the case may be, procure that such members comply with the provisions of Clause 6.1 in respect of such information as if they were a party to this Deed;
- 6.2.5 required, in the opinion of the Party making the disclosure, acting reasonably, by a Government Entity or a Taxation Authority to which that Party is subject, whether or not such requirement has the force of Law;
- 6.2.6 made to the professional advisers, insurers, auditors or bankers of any Party where such persons need to know the same in order to carry out their duties or functions provided that such persons are subject to binding obligations in respect of confidentiality in respect of such information which are no less onerous than the terms of Clauses 6.1 and 6.2;
- 6.2.7 made to any third-party (and their professional advisers) in connection with bona fide discussions with such third-party about the potential acquisition by the third-party of some or all of the Additional Sale Interests, or the Buyer or Seller respectively, provided that in each case such persons are subject to binding obligations in respect of confidentiality in respect of such information which are no less onerous than the terms of Clauses 6.1 and 6.2;
- 6.2.8 made by the Buyer or the Seller to any third-party (and their professional advisers) in connection with bona fide discussions with such third-party about the provision of financing to the Buyer’s Group or the Seller’s Group, as applicable, provided that such persons are subject to binding obligations in respect of confidentiality in respect of such information which are no less onerous than the terms of Clauses 6.1 and 6.2;
- 6.2.9 required for the purpose of any judicial proceedings arising out of this Deed or made to the Independent Accountant for the purposes of their determination of any dispute in relation to the Final Completion Statement;
- 6.2.10 made public through no fault of that Party; or
- 6.2.11 made with the prior written approval of the other Party.

Method of payment

- 6.3 Any payments to be made under or pursuant to this Deed shall be paid by electronic funds transfer in cash and in immediately cleared funds for same day value to the Seller's Nominated Account (where any sum is payable by the Buyer) or the Buyer's Nominated Account (where any sum is payable by the Seller) unless otherwise agreed in writing.

Set off

- 6.4 All payments to be made by a Party under this Deed shall be made without any set-off, counterclaim, withholding or any deduction of any kind including for any Taxation, banking transfer or other costs or claims except to the extent required by Law.

Default Interest Rate and calculation of Interest

- 6.5 In the event of default or delay in payment when due of any of the sums payable under this Deed to the other Party, then (subject to any express provision in that respect or to the contrary in this Deed) interest shall accrue from day to day and be payable on such sum in respect of the period from the date the payment became due until, but excluding, the date of actual payment at the Default Interest Rate from time to time during that period. Any interest payable under this Deed shall be calculated on the basis of a three hundred and sixty (360) day year and shall be compounded at the end of each Month.

Waivers

- 6.6 The rights and remedies of each Party are, except where expressly stated to the contrary, without prejudice to any other rights and remedies available to it. No neglect, delay or indulgence by any Party in enforcing any provision of this Deed shall be construed as a waiver and no single or partial exercise of any rights or remedies of any Party under this Deed will affect or restrict the further exercise or enforcement of any such right or remedy.
- 6.7 No waiver by any Party of any breach of a provision of this Deed shall be binding unless made expressly and in writing and any such waiver shall relate only to the matter to which it expressly relates and shall not apply to any subsequent or other matter.
- 6.8 The liability of any Party may, in whole or in part, be released, compounded, or compromised, and if the other Party shall give time or indulgence to the Person under such liability, this will in no way prejudice or affect that Party's rights against any other Person under the same or similar liability.

Severance

- 6.9 Each provision of this Deed is severable and distinct from the others and, if any provision or part of a provision is, or at any time becomes, to any extent or in any circumstances invalid, illegal or unenforceable for any reason, that provision or part of a provision shall to that extent be deemed not to form part of this Deed but the validity, legality and enforceability of the remaining parts of this Deed shall not be affected or impaired, it being the Parties' intention that every provision of this Deed shall be and remain valid and enforceable to the fullest extent permitted by Law.

Variation

- 6.10 No purported alteration of this Deed shall be effective unless it is in writing, refers to this Deed and is duly executed by each Party.

Counterparts

- 6.11 This Deed may be entered into in any number of counterparts by the Parties to it on separate counterparts, and each of the executed counterparts, when duly exchanged or delivered, shall be deemed to be an original but, taken together, they shall constitute one and the same agreement.

Costs

- 6.12 Except as otherwise expressly provided in this Deed or the other Transaction Documents, each of the Parties shall bear its own legal and other costs incurred in relation to the negotiation, preparation and completion of this Deed and the Transaction Documents.
- 6.13 The Buyer shall be responsible for the cost of all stamp, registration or transfer taxes, including land and buildings transaction tax, and any other similar duty or levy or Taxation which may arise in any jurisdiction in respect of its purchase of the Additional Sale Interests.

Effect of claims

- 6.14 The satisfaction by the Seller of any claim under this Deed (including in relation to the Seller's Warranties) following Completion shall be treated for tax purposes as constituting a reduction in the Total Consideration given by the Buyer for the purchase of the Additional Sale Interests pursuant to this Deed.

Successors in title and third parties

- 6.15 This Deed shall be binding on and shall enure for the benefit of the successors in title of each Party.
- 6.16 A Person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms, save that:
- 6.16.1 any member of the Seller's Group shall be entitled to enforce any indemnity or Benefit created in favour of them pursuant to the provisions of this Deed; and
- 6.16.2 any member of the Buyer's Group shall be entitled to enforce any indemnity or Benefit created in favour of them pursuant to the provisions of this Deed.

Further assurances

- 6.17 Each Party shall (and shall use its reasonable endeavours to procure that any third parties shall) promptly execute and deliver to the other Party such other documents in a form satisfactory to the other Party and take such other action as may in the opinion of the other Party be required to give to the other Party the full benefit of all the provisions of this Deed in each case at the sole cost and expense of such Party except to the extent the document or action the subject of the request is not expressly contemplated by this Deed, in which event the sole cost and expense of such request shall be borne by the requesting Party.

Anti-bribery and corruption

- 6.18 The Seller and the Buyer shall each comply with all applicable anti-bribery and corruption and anti-money laundering laws and regulations in connection with the Transaction, and shall procure that no employees or service providers (including subcontractors, agents and other intermediaries) employed or engaged by the Seller or the Buyer (or any other member of the Seller's Group or the Buyer's Group, as the case may be) shall offer, give or agree to give any Person whosoever, or solicit, accept or agree to accept from any Person, either directly or indirectly, anything of value in order to obtain, influence, induce or reward any improper advantage in connection with the Transaction.

Entire Agreement

6.19 Each Party acknowledges and agrees that:

- 6.19.1 this Deed and the other Transaction Documents supersede any prior discussions, understandings and agreements between the Parties concerning their subject matter and that the Transaction Documents constitute the entire and only agreement between the Parties concerning their subject matter;
- 6.19.2 none of the Transaction Documents or any of them has been entered into in reliance on any Pre-contractual Statement which is not expressly set out in a Transaction Document (or any of them) and each Party hereby irrevocably and unconditionally waives any claims, rights or remedies arising by virtue of any Pre-contractual Statement not set out in a Transaction Document; and
- 6.19.3 the only rights or remedies available to any Party in connection with the Transaction Documents are damages for breach of contract and, except as otherwise provided in any of the Transaction Documents, no Party may rescind or terminate all or any of the Transaction Documents for breach of contract or for negligent or innocent misrepresentation or otherwise,

provided always that neither this Clause, nor any other limitation in this Deed, shall exclude or limit any liability which arises as a result of any fraudulent act, omission or statement. In this Clause 6.19, "**Pre-contractual Statement**" means any agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever (whether or not in writing, whether express or implied and whether or not in draft form) made or given by any Person prior to the execution of this Deed in connection with any matters dealt with in the Transaction Documents.

Notices

6.20 A notice or other communication given under or in connection with this Deed (a "**Notice**") shall be:

- 6.20.1 in writing;
- 6.20.2 in the English language; and
- 6.20.3 sent by the Permitted Method to the Notified Address.

6.21 The "**Permitted Method**" means the methods set out in the first column below. The second column below sets out the date on which a Notice given by the corresponding Permitted Method in the first column opposite shall be deemed to be given to the extent the Notice is properly addressed and sent in full to the Notified Address:

| (1) Permitted Method | (2) Date on which Notice deemed given |
|--|--|
| Registered or international registered or prepaid air-mail | Five (5) Business Days after the date of posting (not including the date of posting) |
| E-mail, with the notice attached in PDF format | On receipt of an automated delivery receipt or confirmation of receipt from the relevant server if before 5pm on a Business Day and otherwise on the |

| (1) Permitted Method | (2) Date on which Notice deemed given |
|-------------------------|---|
| | Business Day next following the date of transmission of the email |

6.22 The notified address of each of the Parties is as set out below (each a “Notified Address”):

| Name of Party | Address | E-mail address | Marked for the attention of: |
|---------------|---|-----------------------------------|---|
| Seller | BP Exploration Operating Company, Chertsey Road, Sunbury on Thames, Middlesex TW16 7BP | N/A | The Directors |
| | with copies to: Director M&A, BP plc., 1 St James's Square, London SW1Y 4PD | M&ALEGALUK@uk.bp.com | Director M&A |
| | and Managing Counsel M&A Legal, BP plc., 1 St James's Square, London SW1Y 4PD | M&ALEGALUK@uk.bp.com | Managing Counsel M&A Legal |
| Buyer | EnQuest 5th Floor Cunard House 15 Regent Street London SW1Y 4LR | stefan.ricketts@enquest.com | General Counsel |
| | with copies to EnQuest Global Services Limited (Dubai Branch) PO Box 53192 Dubai, United Arab Emirates | faysal.hamza@enquest.com | Managing Director Corporate Development |
| | and EnQuest Annan House | neil.mculloch@enquest.com; and | North Sea President; and |

| Name of Party | Address | E-mail address | Marked for the attention of: |
|----------------------|---|-------------------------|-------------------------------------|
| | Palmerston Road Aberdeen AB11 5QR | paul.massie@enquest.com | Legal Manager |

or such other Notified Address as any of the Parties may, by written notice to the other Party, substitute for their Notified Address set out above, but without prejudice to the effectiveness of any notice already given in accordance with Clause 6.20.

Assignment

6.23 Save as set out in clause 2 of the Security Trust and Waterfall Deed, no Party may assign, novate, transfer, charge or deal in any way with the benefit of, or any of its rights or obligations under or interest in, this Deed without the prior written consent of the other Party. If the Buyer wishes to assign or novate all of its rights or obligations under and interest in the Transferring Transaction Documents to EHL pursuant to clause 2.1 of the Security Trust and Waterfall Deed:

6.23.1 it shall give written notice of such wish to the Seller; and

6.23.2 promptly following receipt of such notice by the Seller, the Seller and the Buyer shall be obliged to execute the Agreed form Novation Agreement(s) in the appropriate form to effect such assignment or novation to EHL.

Indemnities

6.24 In this Deed indemnity means indemnity on an "after tax basis". An "after tax basis" shall mean that in calculating the amount of an indemnity there shall be taken into account:

6.24.1 the amount by which any liability for Taxation of the Party to be paid is actually increased as a result of the indemnity payment being received so that the payer shall increase the amount of the payment by such additional amount as is necessary to ensure that the net amount received by the payee (after taking into account all Taxation) is equal to the amount that would have been received had the payment in question not been subject to any Taxation;

6.24.2 the amount by which any liability for Taxation of the Party to be paid is actually reduced as a result of the matter giving rise to the indemnity payment; and

6.24.3 any withholding tax suffered on the indemnity payment so that if withholding tax is suffered, the payer shall pay such sum to the payee as will, after the deduction or withholding has been made, leave the payee with the same amount as it would have been entitled to receive in the absence of any such requirement to make a deduction or withholding and in the event that the payee becomes entitled to a credit or repayment in respect of such withholding tax, it shall pay to the payer such amount (not exceeding the credits or repayment) as will leave the payee in no worse position than if the withholding had not been suffered.

Governing law and jurisdiction

6.25 This Deed and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this Deed or its formation (including any non-contractual disputes or claims) (a "**Dispute**") shall be governed by and construed in accordance with English law.

- 6.26 Any Dispute (save where specified to the contrary in Exhibits 1 and 7 of the Sale and Purchase Terms) shall be subject to the exclusive jurisdiction of the English courts.

IN WITNESS whereof the Parties have executed and delivered this Deed on the date first mentioned above.

Executed as a deed by
BP EXPLORATION OPERATING COMPANY LIMITED

on being signed by

Jason Lambert

in the presence of:

Name of witness:

Signature of witness:

Address:

Occupation:

FRANCIS REILLY
Solicitor
c/o CMS, Cannon Place
Cannon Street, London
Solicitor

Attorney, acting under a Power of Attorney
dated 23 January 2017

Executed as a deed by
ENQUEST NNS LIMITED
on being signed by

FAYSALE HORMAN

in the presence of:

Name of witness:

Signature of witness:

Address:

Occupation:

JAMES PRESCOTT
Solicitor

Director / Attorney, acting under a Power of
Attorney dated

Ashurst LLP
Broadwalk House
5 Appold Street
London EC2A 2HA
SOLICITOR

**SCHEDULE 1
FORM OF CALL OPTION NOTICE**

The Directors

BP Exploration Operating Company Limited

Chertsey Road

Sunbury on Thames

Middlesex TW16 7BP

Notice of Exercise of Call Option

1. We refer to the call option deed in respect of interests in the Sullom Voe Terminal, the Ninian Pipeline System, the Northern Leg Gas Pipeline, the Magnus Field and the Magnus South Field dated [●] 2017 (the "**Deed**").
2. Words and expressions defined in the Deed shall have the same meaning in this Call Option Notice.
3. We are hereby exercising the Call Option that you granted under Clause 2.1 of the Deed and you are accordingly required to sell the Additional Sale Interests to us in accordance with and subject to the Sale and Purchase Terms set out in Schedule 2 to the Deed.

Yours faithfully

.....
For and on behalf of
[Buyer]

Dated:.....

SCHEDULE 2
SALE AND PURCHASE TERMS

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1. DEFINITIONS AND INTERPRETATION

1.1 In this Schedule 2, unless the context otherwise requires:

"Actual Adjustment Amount" has the meaning given to it in part A of Exhibit 2

"Additional Sale Interests" means the Additional Magnus Interest, the Additional NLGP Interest, the Additional NPS Interest and the Additional SVT Interest and **"Additional Sale Interest"** shall be construed accordingly

"Additional Sale Interests Documents" means in respect of each of the Additional Magnus Interest, the Additional NLGP Interest, the Additional NPS Interest and the Additional SVT Interest, those documents described as such in Exhibit 1 or, where the context so requires, any one or more of such documents, together with any documents relating to each Additional Sale Interest which are entered into by the Seller between the date of this Deed and Completion either (prior to SPA Completion) with the Buyer's written consent pursuant to article 1.1.3 or 1.1.13 of Exhibit 3 (or its deemed consent pursuant to article 1.4 of Exhibit 3) or (post-SPA Completion) pursuant to the terms of the Magnus Joint Operating Agreement

"Additional Magnus Interest" means: (a) an undivided legal interest in and under the Licence; and (b) a seventy-five per cent. (75%) legal and beneficial interest in the Magnus Property, together with all related liabilities and obligations arising under or in respect of the related Additional Sale Interests Documents including the Seller's corresponding interest in the Data exclusively related thereto, together in each case with all rights and obligations attaching to (a) to (b) above and including, subject to the terms of this Schedule 2 (and the other Transaction Documents): (i) the right to take and receive a consequent share of all Petroleum produced under the Licence on and after Completion (including any Dead Stock and Oil in Pipelines) and (subject to Paragraph 7.3) to receive the gross proceeds from the sale or other disposition thereof; (ii) a consequent share of the Seller's right, title and interest in and to any funds held in the Magnus Account and all other assets which are owned pursuant to or under any of the Additional Sale Interests Documents; and (iii) all other Benefits and Liabilities associated with such interest under the related Additional Sale Interests Documents

"Additional Magnus Interest GSA" means a sale and purchase agreement under which the Buyer will sell to a third party all Natural Gas produced in respect of the Additional Magnus Interest following Completion

"Additional Magnus Interest Production" has the meaning given to it in Paragraph 7.3.1

"Additional NLGP Interest" means the Seller's Completion Interest in and under the NLGPPA, together with all related liabilities and obligations arising under or in respect of the related Additional Sale Interests Documents including the Seller's corresponding interest in:

- (a) the Data exclusively related thereto; and
- (b) any other Joint Property exclusively related thereto,

together in each case with all rights and obligations attaching to (a) and (b) above and including, subject to the terms of this Schedule 2 (and the other Transaction Documents): (i) a consequent share of the Seller's right, title and interest in and to jointly-owned funds, jointly owned property and all other assets which are owned pursuant to or under any of the related Additional Sale Interests Documents; and (ii) all other Benefits and Liabilities associated with such interest under the related Additional Sale Interests Documents

"Additional NPS Interest" means the Seller's Completion Interest in and under the NPOA, together with all related liabilities and obligations arising under or in respect of the related Additional Sale Interests Documents including the Seller's corresponding interest in:

- (a) the Data exclusively related thereto; and
- (b) any other Joint Property exclusively related thereto,

together in each case with all rights and obligations attaching to (a) and (b) above and including, subject to the terms of this Schedule 2 (and the other Transaction Documents): (i) a consequent share of the Seller's right, title and interest in and to jointly-owned funds, jointly owned property and all other assets which are owned pursuant to or under any of the related Additional Sale Interests Documents; and (ii) all other Benefits and Liabilities associated with such interest under the related Additional Sale Interests Documents

"Additional SVT Interest" means the Seller's Completion Interest in and under the SVTOA, together with all related liabilities and obligations arising under or in respect of the related Additional Sale Interests Documents including the Seller's corresponding interest in:

- (a) the Data exclusively relating thereto; and
- (b) any other Joint Property exclusively relating thereto,

together in each case with all rights and obligations attaching to (a) and (b) above and including, subject to the terms of this Schedule 2 (and the other Transaction Documents): (i) a consequent share of the Seller's right, title and interest in and to jointly-owned funds, jointly owned property and all other assets which are owned pursuant to or under any of the related Additional Sale Interests Documents; and (ii) all other Benefits and Liabilities associated with such interest under the Additional Sale Interests Documents

"Agreed Interest Rate" means five per cent. (5%) per annum

"Agreed WP&B" means the three (3) year work programme and budget for the calendar years 2017-2019 (inclusive) relating to the Licence as set out in schedule 4 of the Magnus Joint Operating Agreement

"Associated Person" means, in relation to a company, a person (including any director, officer, employee, agent or other intermediary) who performs services for or on behalf of that company (in each case when performing such services or acting in such capacity)

"BAB" means the project commonly known as the Brent Alpha Bypass

"Balancing Payment" has the meaning given to it in article 1 of part E of Exhibit 2

"Base Consideration" has the meaning given to it in Paragraph 3.1.1

"Benefits" means income, revenue, receipts, rebates, credits and other benefits of whatsoever nature and howsoever arising

"Britoil" means Britoil Limited, a company incorporated in Scotland (company number SC077750) having its registered office at 1 Wellheads Avenue, Dyce, Aberdeen AB21 7PB

"Brownfield Allowance" means the field allowance available in respect of an additionally developed oil field for the purposes of Chapter 7 of Part 8 of CTA 2010 (as modified, replaced or repealed from time to time) in respect of the MLXP

"Business Day" means a day other than a Saturday or Sunday on which banks are ordinarily open for the transaction of normal banking business in London (England)

"Business Warranties" has the meaning given to it in Exhibit 5

"Buyer Claim" means a claim by the Buyer against the Seller in relation to a breach by the Seller of its obligations under this Deed

"Buyer Covenant Breach" means any material breach by the Buyer or any member of the Buyer's Group (at any time before, on or after the date of this Deed) of the covenants set out in part A of clause 15 of the Security Trust and Waterfall Deed

"Buyer Entity" has the meaning given to it in article 1(a) of part B of Exhibit 6

"Buyer Financial and Technical Capability Case" means the information in agreed form pursuant to the SPA that may be updated by the Buyer prior to the Call Option Notice Date to demonstrate its financial and technical capability to own the Additional Sale Interests on and from Completion

"Buyer Indemnity Claim" means a claim by the Buyer against the Seller for indemnification under this Schedule 2

"Buyer Insolvency Event" means:

- (a) the Buyer, EnQuest Intermediate Holdco or EnQuest Parent becomes insolvent or unable or admits inability to pay its debts as they fall due or is adjudicated bankrupt or declares (or has declared in respect of it) a moratorium on the payment of, or suspends the payment, of all or a substantial part of its debts;
- (b) any execution, distress, attachment, expropriation, sequestration or other legal process which affects a material part of the assets of the Buyer, EnQuest Intermediate Holdco or EnQuest Parent and is not discharged within twenty-one (21) days;
- (c) the Buyer, EnQuest Intermediate Holdco or EnQuest Parent ceases to carry on its business;
- (d) the Buyer, EnQuest Intermediate Holdco or EnQuest Parent is:
 - (i) dissolved or enters into liquidation, administration, administrative receivership, receivership, a company voluntary arrangement, a scheme of arrangement with creditors or other reorganisation by reason of actual or anticipated financial difficulties, or any analogous or similar procedure in any jurisdiction or any other form of procedure relating to insolvency, insolvent reorganisation or dissolution in any jurisdiction; or
 - (ii) any formal corporate action, legal proceedings or other similar procedure or step is taken by any Person with a view to any of the matters listed in paragraph (d)(i) above, save for the presentation of a winding-up petition that is frivolous or vexatious and that is discharged, stayed or dismissed within twenty-one (21) days of commencement and in any event before advertisement

"Buyer Insurance" means, following SPA Completion, the Buyer's insurance policy or policies in effect from time to time in respect of the Interests (as defined in the SPA) the terms of such being together the **"Buyer Insurance Terms"**

"Buyer Material Adverse Event" means: (a) a Change in Control of the Buyer; (b) a Buyer Insolvency Event; or (c) a Buyer Covenant Breach

"Buyer's Group" means the Buyer and any company which is a holding company or subsidiary of the Buyer, and any subsidiary of any such holding company

"Buyer's Nominated Account" means the Buyer's account denominated in US Dollars in the name of EHL numbered 140/01/42134862 at Natwest, Scotland Corporate Service Centre, 1st Floor Drummond House, 1 Redheughs Avenue, Edinburgh EH12 9JN, sort code 60-00-01, IBAN GB38NWBK60730142134862, BIC/SWIFT NWBKGB2L, or such other account as may be notified by the Buyer to the Seller in writing from time to time

"Buyer's Warranties" means the warranties set out in Exhibit 7, to be given by the Buyer to the Seller and **"Buyer's Warranty"** means any of them

"CAA 2001" means the Capital Allowances Act 2001

"Cash Consideration" has the meaning given to it in Paragraph 3.1.3

"Change in Control" means, in relation to the Buyer, the acquisition by a Person (or Persons acting in concert) of a Controlling Interest in the Buyer or in any holding company of the Buyer, except if such Change in Control is a result of the acquisition of all or a majority of the issued equity share capital of either:

- (a) EnQuest Parent; or
- (b) EHL or any holding company of EHL other than EnQuest Parent, provided that in the case of (b) only, any outstanding Accumulated Interest Seller Costs Amount, Accumulated Post-Economic Date Cost Amount and Final Earn-out Reimbursement Amount (each as defined under the SPA) and any outstanding amounts due under the Vendor Loan Facility Agreement (excluding any amount of Incremental Interest (as defined in the Security Trust and Waterfall Deed) which has accrued but not yet been paid to the BP Payment Account (as defined in the Security Trust and Waterfall Deed) on the date of the relevant acquisition (and any such amount of Incremental Interest shall remain due and payable in accordance with the provisions of the Net Cashflow Share Deed and the Security Trust and Waterfall Deed)) have been repaid prior to completion of such acquisition of shares in such company

"Class 1 Condition Satisfaction Date" means the date on which the Class 1 Condition is satisfied;

"Completion" means completion of the sale and purchase of the Additional Sale Interests in accordance with Paragraph 6

"Completion Consideration" has the meaning given to it in Paragraph 3.1.2

"Completion Date" means the date on which Completion actually occurs

"Completion Interest" means seventy-five per cent. (75%) of the Seller's entire legal and beneficial interest in and under the relevant Operating Agreement as at the date of this Deed (as specified in Exhibit 1), plus a further seventy-five per cent. (75%) of any increase in the Seller's legal and beneficial interest in and under such Operating Agreement prior to Completion which arises as a result of a Relevant Third Party's full or partial withdrawal from the relevant Operating Agreement to the extent that the terms of such Operating Agreement do not give the Seller the right to refuse to accept any share in such withdrawing Relevant Third Party's legal and beneficial interest in that Operating Agreement

"Completion Payment" means an amount equal to:

- (a) the Base Consideration; plus or minus
- (b) the Provisional Adjustment Amount,

as set out in the Completion Payment Statement

"Completion Payment Statement" has the meaning given to it in Paragraph 3.4

"Controlling Interest" in relation to an undertaking means:

- (a) the ownership or control (directly or indirectly) of more than fifty per cent. (50%) of the fully diluted voting share capital of the undertaking;
- (b) the ability to direct the casting of more than fifty per cent. (50%) of the fully diluted votes exercisable at general meetings of the undertaking on all, or substantially all, matters; or
- (c) the right to appoint or remove directors of the undertaking holding a majority of the voting rights at meetings of the board of directors on all, or substantially all, matters

"Conditions" has the meaning given to it in Paragraph 4.1

"Conversion Rate" means the rate published for the relevant date by the Bank of England on its "Statistical Interactive Database - daily spot rates against Sterling" (or any replacement Bank of England database), or if no such rate is provided for the relevant date, for the latest date prior to the relevant date for which a rate is provided

"Cost Share Agreements" means the (i) cost share agreement in respect of BAB between, among others, Shell U.K. Limited, the Seller, EHL and Esso Exploration and Production UK Limited dated 15 July 2016; (ii) supplementary cost sharing agreement in respect of BAB between the Seller (as Magnus operator for and on behalf of the Magnus owners) and the Seller (as the Quad operator for and on behalf of the Quad owners) dated 15 July 2016; (iii) supplementary cost sharing agreement in respect of BAB between the Seller (as Magnus operator for and on behalf of the Magnus owners) and the Seller (as the Clair operator for and on behalf of the Clair owners) dated 15 July 2016; and (iv) the Letter Agreement re. WOS Brent Bypass Cost Reconciliation Principles dated 15 July 2016 between the Seller (as Magnus operator for and on behalf of the Magnus owners), the Seller (as the Clair operator for and on behalf of the Clair owners) and the Seller (as the Quad operator for and on behalf of the Quad owners), together with any agreement entered into pursuant to the terms of such Letter Agreement

"CP Satisfaction Date" means the date on which all of the Conditions have been satisfied or validly waived in full in accordance with the terms of this Schedule 2

"CT" or **"Corporation Tax"** means corporation tax as charged under the CTA 2009 and the CTA 2010 and for the purposes of this Deed shall include SCT

"CTA 2009" means the Corporation Tax Act 2009

"CTA 2010" means the Corporation Tax Act 2010

"Data" means all accounts, books and data in the possession, custody or control of the Seller and forming part of the Magnus Property or the Joint Property including petroleum engineering, reservoir engineering, drilling, geological, geophysical and all other kinds of technical data and reports, samples, well logs and analyses in whatever form the same are maintained, but excluding: (a) internal memoranda, reports, interpretations and documents created for the Seller's (or any member of the Seller's Group's) own use; and (b) any data the Seller is not entitled to sell, transfer or otherwise dispose of as a result of confidentiality obligations by which it is bound or which cannot be provided to the Buyer because such transfer is prohibited by the agreement under which it is acquired or because it requires the consent of a third party

"Data Room" means the electronic data room containing documents and information relating to the Additional Sale Interests, made available by the Seller to the Buyer on and from 15 May 2015 to the date falling ten (10) Business Days prior to the date of this Deed and maintained by Merrill Corporation

"Data Room Disclosed Documents and Information" means the documents and information relating to the Additional Sale Interests contained only within the following folders within the Data Room:

- (a) in the master folder named "McEnroe", the following sub-folders: (i) 1. *Management Summaries*; (ii) 2. *Legal*; (iii) 3. *Commercial & Finance*; (iv) 4. *Tax*; (v) 6. *Wells*; ((vi) 7. *Operations*; (vii) 10. *HSSE*; (viii) 12. *Human Resources*; and (ix) 13. *Insurance*;
- (b) in the master folder named "Sharp II", the following sub-folders: (i) 1. *Management Summaries*; (ii) 2. *Legal*; (iii) 3. *Commercial and Finance*; (iv) 4. *Tax*; (v) 6. *Operations*; (vi) 8. *HSSE*; (vii); 10. *Human Resources*; (viii) 11. *Property*; and (ix) 12. *Insurance*; and
- (c) in the master folder named Human Resources,

as at 6.00 pm on 19 January 2017, the contents of which are set out in the index in annex 2 of the Disclosure Letter and contained in the duplicate USB devices initialled by representatives of the Parties on the date of this Agreement (but excluding any other documents which are, and information which is, also contained on such USB devices)

"Dead Stock and Oil in Pipelines" means crude oil in the form of dead stock and line fill in any pipeline and/or terminal in which production from the Magnus Field and the Magnus South Field is transported or stored from time to time

"Decommissioning" means the decommissioning, dismantling, demolition, removal, making safe, and/or disposal of any Facilities and/or Wells (including any Magnus Property and Joint Property) and/or any site restoration, site remediation, clean up, treatment or decontamination of any land in, on, under or to the extent comprised within the Additional Sale Interests (whether or not in existence at the date of this Deed), including the plugging, replugging, and abandoning of Wells, site clearance, removal of debris and any operations carried out in connection with or in contemplation of the foregoing (including planning, acquiring long-lead items in respect of and maintenance of such Facilities and/or Wells)

"Decommissioning Liabilities" means any and all Liabilities relating to Decommissioning (including any residual liability for anticipated and/or necessary continuing insurance, maintenance and monitoring costs), whether such Liabilities (whether or not in existence at the date of this Deed) arise or are incurred under or pursuant to any of the Additional Sale Interests Documents or under any Law or any other obligation (whether contractual, statutory or otherwise and whether or not in existence at the date of this Deed), including any Decommissioning plans, and any Decommissioning guidelines or Decommissioning programmes in effect from time to time, and **"Decommissioning Liability"** shall be construed accordingly

"Default Interest Rate" means the Interest Rate plus six per cent. (6%) per annum

"Defaulting Party" has the meaning given to it in Paragraph 6.2

"Deferred Completion Date" has the meaning given to it in Paragraph 6.2.1

"Disclosed" has the meaning given to it in Paragraph 8.2

"Disclosure Letter" means the letter of the same date as this Deed from the Seller to the Buyer disclosing certain matters in relation to the Seller's Warranties

"Discounted Notional CT Rate" means an amount equal to A in the NPV Formula where, for the purposes of such formula:

x = the Corporation Tax rate current at the Qualifying Expenditure Realisation Date; and

y = the number of years between: (a) the Qualifying Expenditure Realisation Date; and (b) the earliest date on which the Buyer and the Seller agree (acting in good faith) that the Buyer's Group will be in a position to benefit from any actual tax saving as a result of the increased allocation of the Completion Consideration to Plant & Machinery and Mineral Exploration & Access as agreed with HMRC provided that the Buyer shall be entitled to assume any other actual Tax asset or Tax Relief (in both cases) of the Buyer or any member of the Buyer's Group would be utilised in priority to any additional capital allowances in respect of which the Buyer would be entitled to make a claim as a result of the operation of articles 12 to 15 of Exhibit 8

"Economic Date" means 1 January 2017

"EHL" means EnQuest Heather Limited, a company incorporated in England & Wales (company number 02748866) having its registered office at 5th Floor, Cunard House, 15 Regent Street, London, SW1Y 4LR

"EnQuest Intermediate Holdco" means EnQuest NNS Holdings Limited, a company incorporated in England & Wales (company number 10573435) having its registered office at 5th Floor, Cunard House, 15 Regent Street, London, SW1Y 4LR

"Encumbrance" means any mortgage, charge, rent charge, pledge, lien, hypothecation, assignment by way of security, trust arrangement, or other security interest of any kind in any jurisdiction, (or an agreement or commitment to create any security), option, net profit interest, royalty interest, right of set-off, right of pre-emption, right of conversion or other third-party proprietary or contractual right or arrangement, or in each case any agreement to create any of them)

"Environment" means the natural and man-made environment and/or amenity and all or any of the following, wherever situated, and whether alone or in combination: (a) the air (including the air within buildings or within any other natural or man-made structures above or below ground or above or below water); (b) water (including seawater inside or outside any territorial limits, freshwater, surface water, and water under or within land or below the seabed or in pipes, drains or sewerage systems); and (c) soil and land (including under buildings or other structures or other property, whether above or below ground, and including the seabed, sediment, foreshore, subsoil and land under water) ((a) to (c) being **"Environment Media"**), and flora, fauna, fish and any ecological systems and living organisms supported by those media including man

"Environmental Authority" means any Government Entity, court, tribunal or other international, national, regional or local regulatory, public or administrative body with jurisdiction or having authority under any Environmental Law, including SEPA, and any relevant local councils or local authorities

"Environmental Law" means all and any applicable Law, including all Scottish, United Kingdom and European Union acts and law, international treaties and international laws and conventions,

the common law, any codes and conventions of law and codes of practice and guidance (having legal effect), and any local statutes, regulations, subordinate legislation, judgments, orders, licences or environmental permits from time to time issued or made thereunder, in any relevant jurisdiction concerning:

- (a) the prevention of Harm or damage to or protection of the Environment and/or the provision of remedies in respect of or compensation for Harm or damage to the Environment;
- (b) presence, emissions, seepage, discharges, migrations, releases or escapes into or the presence in the Environment of Hazardous Substances or the use, production, processing, management, containment, deposit, extraction, labelling, landfilling, treatment, storage, transport, handling, monitoring, receipt, recording, recovery, recycling, reuse, or disposal of Hazardous Substances or the disposal, abandonment and/or making safe of any Hazardous Substance, installation, structure or other facility, or any clean up or remediation;
- (c) worker and public health and safety including in relation to systems, equipment and process safety; and
- (d) the protection of natural amenity, the creation of any noise, vibration, radiation, common law or statutory nuisance

"Environmental Liabilities" means any and all Liabilities arising (whether onshore or offshore) in respect of the Additional Sale Interests:

- (a) under, or by reason of any contravention of, any Environmental Law;
- (b) (to the extent the same are not Decommissioning Liabilities) in relation to the investigation, monitoring, management, treatment, remediation, cleaning up, decontamination of, removal and/or disposal of any debris, Hazardous Substances or any property (including pipelines, plant, equipment, machinery, Wells (including well cuttings), facilities and all other equipment, installations and structures) at, on, under, around or from any area of land, foreshore or water, wherever situated; or
- (c) for re-instating any area of Environment Media, wherever situated,

in each such case whether such Liabilities (whether or not in existence at the date of this Deed) are incurred under or pursuant to any of the Additional Sale Interests Documents, any Environmental Law or any other obligation (whether contractual, statutory or otherwise and whether or not in existence at the date of this Deed) and including any residual liability for anticipated and/or necessary continuing insurance, maintenance and monitoring costs, but excluding any (i) Excluded Insured PI Liabilities; and (ii) Excluded PI Liabilities

"EOSPS" means the twenty inch (20") trunkline used for the transportation of Natural Gas commonly known as the East of Shetland Pipeline System (but excluding the EOSPS Specified Pipe following the occurrence of the MEOR Carve-out (as defined in the SPA))

"EOSPS Specified Pipe" means the onshore Natural Gas pipeline intended to be controlled by the Seller (in its proposed new capacity as the operator and owner of the Sweetening Facilities) forming part of the Sweetening Facilities, from a point immediately downstream of the Sweetening Facilities, to the point at which the EOSPS Specified Pipe crosses the Mean Water Low Springs at the Orka Voe landfall in the Shetland Islands

"Excluded Insured PI Liabilities" means any Liabilities for injury to any Person in contravention of Environmental Law where the compensation payable to any such Person in respect of such injury is covered in full or in part by any Seller Employer's Liability Policy

"Excluded PI Liabilities" means any Liabilities to Transferring Employees, Excluded Employees or Objecting Employees (each as defined in the relevant Transfer of Operatorship Agreement) that fall within the indemnity given by the Seller at paragraph 2.16 of schedule 4 to the Transfer of Operatorship Agreements

"Existing Property" means (i) any Joint Property and/or Magnus Property attributable to the Additional Sale Interests in existence immediately prior to SPA Completion; (ii) the Infill Wells; and (iii) Replacement Property, but excluding the Seller P&A Wells and the SVT Tanks

"Facilities" means platforms, installations, pipelines, structures, modules, plant, equipment, trains, machinery, facilities (including underground storage facilities), all onshore and subsea infrastructure including umbilicals, risers and flowlines, and all other offshore and onshore installations and structures

"Field" means a Petroleum field which has been determined by the Secretary and lies within the area covered by the Licence

"Final Completion Statement" means the statement of the Completion Consideration amount prepared in accordance with the provisions of Exhibit 2, the format of such statement being set out in part C of Exhibit 2

"Government Entity" means any means any governmental, judicial, statutory, administrative, self-regulatory organisation (including stock exchanges) or other legal person, agency, body, authority, entity, instrumentality or any representative thereof, having jurisdiction with regard to any or all Buyer's Group, Seller's Group, the Additional Sale Interests or the Transaction or the implementation, interpretation and/or enforcement of this Deed or any of the instruments or other documents provided for herein

"Government Official" means any person who would constitute either:

- (a) a "foreign public official" as defined in the UK Bribery Act 2010; or
- (b) a "foreign official" as defined in the US Foreign Corrupt Practices Act of 1977

"Harm" means harm, damage and/or injury to, and/or other interference with, the Environment and includes in the case of man, death, personal injury, disease, impairment of physical or mental condition, offence caused to any of his senses and/or harm to and/or damage to his property

"Hazardous Substances" means any and all substances including wastes, pollutants, contaminants and any other natural or artificial substances (whether in the form of a solid, liquid, gas or vapour or any other form whatsoever and regardless of whether present in on under or emanating from the seabed or any land or soil or contained in any pipes, cables, containers, structures, plant or equipment and including any substance which decomposes, degrades, rots or putrefies or otherwise changes in composition or structure over time to form a Hazardous Substance) which alone or in combination with any other substance are capable of causing harm or damage to the Environment including but not limited to any matter recognised legally as hazardous, toxic or dangerous substance or article

"HMRC" means HM Revenue & Customs

"Independent Accountant" has the meaning given to it in article 4(b) of part D of Exhibit 2

"Infill Wells" means the three (3) infill Wells (named MP57 (also known as MP62FT), WAG09 and PME-P04) which are planned to be drilled as part of the Agreed WP&B, or any alternative wells which are drilled pursuant to the Magnus Joint Operating Agreement and which target the same targets or have substantially similar aims (provided that there shall never be more than three (3) Infill Wells for the purposes of this Schedule 2)

"Interest Rate" means the London interbank offered rate for one (1) Month for the currency in question as published electronically by ICE Benchmark Administration Limited (or any other Person which takes over the administration of that rate) applicable on the first day of the relevant period in respect of which the interest or incremental amount is to be calculated. If the first day of the relevant period is not a Business Day then the rate to be used is that for the most recent Business Day preceding the first day of the relevant period. For periods longer than one Month, the Interest Rate will be reset Monthly on the numerically corresponding day in each subsequent Month except that if the numerically corresponding day in a subsequent Month is not a Business Day, the Interest Rate will be reset on the next Business Day in that Month if there is one, or if there is not, on the immediately preceding Business Day

"Joint Property" has the meaning given to it under the relevant Operating Agreement

"Law" means any law (including common law and international law, and whether civil, criminal or administrative or otherwise), or statute, statutory instrument, subordinate legislation, statutory guidance, bylaw, code, ordinance, order, permit, directive, decision, recommendation, decree, rule, regulation, treaty, convention or requirement of any Government Entity in each case that has or is given the force and effect of law, or any final and binding decision, judgment, notice, order direction, permission or award of any court or tribunal, or Government Entity or Environmental Authority

"Liabilities" means costs, charges, expenses, liabilities and obligations of whatsoever nature and howsoever arising

"Licence" means United Kingdom Production Licence P.193 dated 16 March 1972 issued by the Secretary as amended, supplemented or extended from time to time and shall include any other licence issued in substitution or partial substitution for it

"Long-stop Date" means (i) the date falling three hundred and sixty five (365) days after the Call Option Notice Date or, if the Class 1 Condition is required, the date falling three hundred and sixty five (365) days after the Class 1 Condition Satisfaction Date; or (ii) such later date as the Seller and the Buyer may agree in writing

"Magnus Joint Operating Agreement" means the joint operating agreement in relation to the Licence in agreed form to be entered into at SPA Completion by the Buyer and the Seller

"Magnus Main Oil Line" means a pipeline transporting liquids from Magnus field platform to the Ninian central platform including a 24" riser and all topdeck equipment connecting with the Ninian pipeline at the flange of the main oil manifold

"Magnus Phase 3 Property" has the meaning given to it in the Magnus Joint Operating Agreement

"Magnus Property" means all property acquired or held for use exclusively in connection with the operations conducted by the Operator under the Licence, in respect of: (i) Block 211/7a All (Magnus Field); and (ii) Block 211/12a All (Magnus South Field), including EOSPS and the Magnus Main Oil Line

"Magnus Rig-Recertification Project" means any work that is undertaken by the Seller or, if clause 16.3 of the Magnus Transfer of Operatorship Agreement applies, the Buyer in respect of the Magnus fixed platform drilling rig, associated equipment and platform infrastructure that is necessary (in the opinion of the Seller, acting in accordance with good oil and gas field practice and in consultation with the Buyer pursuant to the Magnus Transfer of Operatorship Agreement) for the planned refurbishment and/or recertification of such rig in order to make it fit (in principle and on completion of such work) for the purpose of commencing and completing drilling of the Infill Wells safely, efficiently and in compliance with the relevant legislation and API standards

"Magnus Riser Project" means any work that is undertaken by the Seller or, if clause 16.3 of the Magnus Transfer of Operatorship Agreement applies, the Buyer in respect of the NLGP riser and its dead weight support structure that is necessary (in the opinion of the Seller, acting in accordance with good oil and gas field practice) to remedy or mitigate the effects of the corrosion and/or related fatigue of such riser which has been identified as at the date of this Agreement and Disclosed to the Buyer

"Master Deed" means the deed dated 28 April 2003 and entered into between the Secretary of State for Trade and Industry and the Contracting Parties and the Administrator (as therein defined) providing for a voluntary arrangement for the transfer of rights and obligations under contractual arrangements in respect of UKCS licences and operating agreements

"MEOR Facilities" means the onshore facilities located adjacent to SVT which are intended to receive, meter, analyse and process Natural Gas delivered from WOSPS (to be known as the **"Sweetening Facilities"** after the MEOR Carve-out (as defined in the SPA))

"Mineral Exploration & Access" has the meaning given to it in Part 5 of the Capital Allowances Act 2001

"MLXP" means the project commonly known as the "Magnus Life Extension Project" in respect of the Magnus Field and the Magnus South Field

"Month" means a calendar month (and **"Monthly"** shall be interpreted accordingly)

"Natural Gas" means any hydrocarbons or mixture of hydrocarbons and other gases transported in a gaseous state

"Negative Additional Consideration Amount" has the meaning given to it in article 1.1 of part G of Exhibit 2

"Net Cashflow Share Deed" means the net cashflow share deed to be entered into by the Seller and the Buyer at Completion

"NLGP" means the Northern Leg Gas Pipeline

"NLGP/FLAGS TPA" means the agreement entitled "Agreement for the Transportation and Processing of Northern Leg Gas/NGL in the FLAG System" dated 23 December 1981

"NLGPPA" means the Northern Leg Gas Pipeline Participants Agreement dated 23 December 1981

"Non-defaulting Party" has the meaning given to it in Paragraph 6.2

"Novation Agreements" means the assignment and novation deeds and agreements in respect of the Additional Sale Interests Documents, which shall (to the extent possible) be executed as execution deeds in accordance with the Master Deed, together with any other documents the Seller and the Buyer (acting reasonably) consider necessary to effect the assignment and

transfer of the Additional Sale Interests to the Buyer and to release the Seller or any member of the Seller's Group from contractual liability to Relevant Third Parties with respect to the Additional Sale Interests

"NPOA" means Ninian Pipeline Operating Agreement dated 21 April 1999

"NPS" means the Ninian Pipeline System

"NPS Withdrawal Amount" means an amount equal to the whole of any payment made by a party to the NPOA on its full or partial withdrawal from the NPOA on or after the Economic Date but prior to Completion and which relates to the withdrawing party's Decommissioning Liabilities in respect of Existing Property forming part of the Additional NPS Interest

"NPV Formula" means $A = \frac{x}{(1.1)^y}$

"OGA Condition" has the meaning given to it in Paragraph 4.1.2

"Operating Agreements" means the SVTOA, NPOA and NLGPPA and (after SPA Completion) the Magnus Joint Operating Agreement and **"Operating Agreement"** shall be construed accordingly

"Operator" means the Person appointed operator under an Operating Agreement (or accepted as such by the Secretary from time to time to the extent there is no Operating Agreement) in respect of an Additional Sale Interest and its permitted assigns and successors in title

"Original WOS GSAs" means the various gas sales agreements dated on or about 6 September 2000 in respect of the sale and purchase of gas from certain West of Shetland reservoirs by the Seller as others (as owners of the Licence and the Magnus Property)

"OTA" means the Oil Taxation Act 1975 as may be amended or further supplemented from time to time

"Other Property" means any Joint Property attributable to the Additional Sale Interests that comes into existence at or after SPA Completion and that is not Existing Property, Seller P&A Wells, SVT Tanks, the MEOR Facilities or Magnus Phase 3 Property

"Parties" means the Buyer and the Seller, including their respective successors in title and permitted assigns, and the term **"Party"** shall be construed accordingly

"Permitted Encumbrance" means any Encumbrance:

- (a) set out or provided for in any of the Additional Sale Interests Documents; and/or
- (b) arising by operation of Law (including any Liability to Taxation imposed by Taxation Authorities)

"Person" means any individual, partnership, corporation, limited partnership, joint venture, association, joint stock company, trust, unincorporated organisation, limited liability company, unlimited liability company or any other entity with legal personality or Government Entity

"Petroleum" has the meaning given to it in the Licence

"Plant & Machinery" means items expenditure on which qualifies for relief under Part 2 of CAA 2001

"Positive Additional Consideration Amount" has the meaning given to it in paragraph 1.1 of part G of Exhibit 2

"Post-Economic Date Benefits" means all Benefits which are attributable to the Additional Sale Interests on and from the Economic Date excluding any Withdrawal Amount

"Post-Economic Date Costs" means all Liabilities which are attributable to the Additional Sale Interests on and from the Economic Date excluding the Retained Expenditure

"Pounds Sterling" means the lawful currency for the time being of the United Kingdom

"Pre-Economic Date Benefits" means all Benefits which are attributable to the Additional Sale Interests prior to (but not including) the Economic Date plus any Withdrawal Amount

"Pre-Economic Date Costs" means all Liabilities which are attributable to the Additional Sale Interests prior to (but not including) the Economic Date

"Provisional Adjustment Amount" means the Seller's good faith estimate of the Actual Adjustment Amount, calculated in the same manner as the Actual Adjustment Amount

"PRT" means petroleum revenue tax charged in accordance with OTA, as may be amended or further supplemented from time to time

"Qualifying Expenditure Realisation Date" has the meaning given to it in article 13 of Exhibit 8

"Reallocation Payment Formula" means $P = \frac{\text{Completion Consideration}}{\left(\left(\frac{1}{(CA \times DNCTR)}\right) - 1\right)}$

where, for the purposes of such formula:

CA = the proportion of the Completion Consideration agreed with HMRC as being allocated to Plant & Machinery and Mineral Exploration & Access, expressed as a percentage; and

DNCTR = the Discounted Notional CT Rate, expressed as a percentage (rounded to two decimal places)

"Relevant Third Parties" means the parties (other than the Seller and the Buyer) to any or all of the Additional Sale Interests Documents and **"Relevant Third Party"** means any of them

"Replacement Property" means any component of the Facilities that replaces Existing Property only if:

- (a) such replacement is performed in the ordinary course of operations and such replacement property is not materially different (in form and/or function and/or service) as the Existing Property replaced by it, and the expenditure incurred in making such replacement represents revenue expenditure for CT purposes; and
- (b) none of the expenditure incurred when making such replacement is treated as a Decommissioning Liability of the Seller pursuant to Paragraph 11.1

"Retained Expenditure" means expenditure in relation to:

- (a) the completion of the Magnus Rig-Recertification Project, up to a gross amount of fifty-three million Pounds Sterling (£53,000,000);
- (b) the MEOR Facilities or the MEOR Carve-out, as far as the liability for any such expenditure arises in respect of the Additional Magnus Interest;
- (c) the completion of the Magnus Riser Project; and
- (d) the completion of the BAB, as far as the liability for any such expenditure arises in respect of the Additional Magnus Interest and constitutes amounts payable by the

Magnus owners under the Cost Share Agreements (excluding liability to indemnify third parties in respect of claims against the Magnus owners, which liability shall, on and from Completion, be allocated subject to the Magnus Joint Operating Agreement)

"Scheduled Completion Date" means if the CP Satisfaction Date falls: (i) five (5) Business Days or more before the last Business Day of that Month, the last Business Day of the Month in which the CP Satisfaction Date falls; or (ii) less than five (5) Business Days before the last Business Day of that Month, the last Business Day of the Month following the Month in which the CP Satisfaction Date falls, or such other date as the Seller and the Buyer may agree in writing

"SCT" means the supplementary charge in respect of ring fence trades under sections 330 to 332 of the CTA 2010

"Secretary" means the Secretary of State for Business, Energy and Industrial Strategy or any other Person for the time being responsible for carrying out the functions at present carried out by the Secretary of State for Business, Energy and Industrial Strategy

"Security Trust and Waterfall Deed" means the deed entered into by, inter alia, the Parties on the date of this Deed in order to secure the payment and performance of the Buyer's Group's obligations under the Transaction Documents, and to regulate the application of monies payable to the Buyer or other member of the Buyer's Group and the Seller or other member of the Seller's Group

"Seller Claim" means a claim by the Seller against the Buyer in relation to a breach by the Buyer of its obligations under this Deed

"Seller Employer's Liability Policy" means any statutory employers' liability insurance policy maintained by the Seller at any time prior to Completion

"Seller Material Adverse Event" means:

- (a) a single event or any series of events which causes the failure of or physical loss of or damage to, or destruction of any of the Facilities comprising any Interest which does, or is estimated to, cost in excess of sixty million US Dollars (US\$60,000,000) (net the relevant Interest share) to reinstate or remedy;
- (a) a single event or any series of events (excluding scheduled maintenance relating to any of the Facilities comprising the Additional Sale Interests) which is likely to cause:
 - (i) the entire production attributable to the Magnus Field and/or the Magnus South Field to be shut in; or (ii) a curtailment to expected production from the Magnus Field and the Magnus South Field of fifty per cent. (50%) or more (in comparison to the projected production profile set out in the Agreed WP&B) for a period in excess of ninety (90) continuous days or of one hundred and twenty (120) days in aggregate over a period of three hundred and sixty five (365) continuous days; or
- (b) any event or circumstance that arises which means that the Seller would be in material breach of one or more of the Seller's Warranties set out in articles 1.1, 1.2, 1.3, 1.4 and 1.10 of Exhibit 5 were the Seller to repeat such Seller's Warranties by reference to facts, matters and circumstances existing at any time after such event or circumstance arose,

provided, however, that none of the following shall be taken into account for the purpose of determining whether or not a Seller Material Adverse Event has occurred:

- (i) actions taken or omitted to be taken by the Buyer or with the consent of the Buyer, or with the deemed consent of the Buyer pursuant to Exhibit 3 and/or schedule 3 of the SPA; and
- (ii) actions or agreements of the Seller required under or contemplated by this Deed

"Seller P&A Wells" means those Wells located under the Licence identified as 211/12A-17 (otherwise known as D4), 211/12A-11Z (otherwise known as D5), 211/7A-3 (otherwise known as D6), 211/12A-21 (otherwise known as D9), 211/12A-23 (otherwise known as F9) and 211/12A-193 (otherwise known as F10)

"Seller Retained Agreements" means any agreements between the Seller and third parties relating to the Additional Sale Interests that do not form part of the Additional Sale Interests Documents, as listed in part C of schedule 1 to the SPA, except that, if the MEOR Condition (as defined in the SPA) is fully or partially waived by the Seller, the documents numbered 1-3 and 9-11 (inclusive) listed in part C of schedule 1 to the SPA shall become Additional Sale Interest Documents

"Seller Retained Claims" means

- (a) claims in connection with the actual or potential over payment by or on behalf of the Seller of tariffs and other sums prior to the Economic Date under the NLGP/FLAGS TPA (including payment of Minimum Payments as defined in the NLGP/FLAGS TPA);
- (b) claims in connection with the actual or potential over payment by or on behalf of the Seller of certain sums prior to the Economic Date under the Original WOS GSAs (including payment of Contract Price, Shortfall Price and payment adjustments required as a result of potential misallocation and mismeasurement issues); and
- (c) claims in connection with any refunds, rebates or credits arising in respect of the Additional Magnus Interest that relate directly to BAB, as far as the benefit of any such refunds, rebates or credits arises in respect of the Additional Magnus Interest and constitutes amounts receivable by the Magnus owners under the Cost Share Agreements (excluding benefits arising from being indemnified by third parties in respect of claims suffered by the Magnus owners which shall, on and from Completion, be allocated subject to the Magnus Joint Operating Agreement),

and shall exclude any claims in respect of the gas price rebate in the West of Shetland GSA relating to the Foinaven field which the parties agree shall be for the benefit of the Buyer

"Seller's Counsel" means CMS Cameron McKenna LLP, Cannon Place, 78 Cannon Street, London EC4N 6AF

"Seller's Group" means the Seller and any company which is a holding company or subsidiary of the Seller and any subsidiary of any such holding company

"Seller's Nominated Account" means the BP International Ltd account numbered 40550445 at Citibank, SWIFT Code CITIUS33, or such other account as may be notified by the Seller to the Buyer in writing from time to time

"Seller's Warranties" means the warranties set out in Exhibit 5, to be given by the Seller to the Buyer and **"Seller's Warranty"** means any of them

"SEPA" means the Scottish Environment Protection Agency

"SPA Completion" means completion of the sale and purchase contemplated in the SPA

"SPA Completion Date" means the date on which SPA Completion occurs

"SVT" means the petroleum receiving, treatment, storage and tanker loading complex located at Sullom Voe, Shetland

"SVTOA" means the Sullom Voe Terminal Operating Agreement dated 21 April 1999

"SVT Tanks" means the four (4) redundant LPG Tanks at SVT (which are butane tanks T-3603 and T-3604 and propane tanks T-3601 and T-3602)

"SVT Withdrawal Amount" means an amount equal to the whole of any payment made by a party to the SVTOA on its full or partial withdrawal from the SVTOA on or after the Economic Date but prior to Completion and which relates to the withdrawing party's Decommissioning Liabilities in respect of Existing Property forming part of the Additional SVT Interest

"Tax" or **"Taxation"** means all forms of taxation, duties, levies, imposts, charges and withholdings, direct or indirect, created or imposed by any taxing, fiscal or other appropriate authority of any relevant jurisdiction and also including amounts payable in respect of tax or representing tax and (without prejudice to the generality of the foregoing) includes:

- (a) income tax, profits tax, PRT, transfer tax, franchise tax, withholding tax, ad valorem tax, Corporation Tax, capital gains tax, capital assignments profit tax, royalty, inheritance tax, VAT, sales tax, customs and other import or export duties, excise duties, land and buildings transaction tax, social security contributions or withholdings similar to or supplementing or replacing the foregoing or any of them; and
- (b) all penalties, charges, interest, fines, costs and expenses, loss of relief, allowance or credit relating to any form of, or claim for, Taxation or other imposition referred to in paragraph (a) above or which arise as a result of the failure to pay any Taxation or to comply with any obligation relating to Taxation,

in each case regardless of whether chargeable directly or primarily against or attributable directly or primarily to the Buyer or the Seller or any other Person and of whether an amount in respect of any of them is recoverable from any other Person

"Tax Relief" means any allowance, credit, exemption, deduction or relief from, in computing, against or in respect of Tax or any right to the repayment of Tax

"Taxation Authority" means any revenue, customs or fiscal, governmental, state, community, municipal or regional authority, Government Entity, or Person competent to impose, administer or collect any Taxation in any jurisdiction, including HMRC

"Third Party Claim" has the meaning given to it in article 1 of part B of Exhibit 6

"Third Party Consents Condition" has the meaning given to it in Paragraph 4.1.3

"Title and Authority Warranties" has the meaning given to it in Exhibit 5

"Total Consideration" has the meaning given to it in Paragraph 3.1.4

"Transaction" means the proposed acquisition of the Additional Sale Interests by the Buyer

"Transaction Documents" has the meaning given to it in the Security Trust and Waterfall Deed

"Transfer of Operatorship Agreements" means agreements between the Seller and the Buyer in respect of the transfer of operatorship under each of:

- (a) the SVTOA (the "**SVT Transfer of Operatorship Agreement**");
- (b) the NPOA (the "**NPS Transfer of Operatorship Agreement**");
- (c) the NLGPPA; and
- (d) the Licence (the "**Magnus Transfer of Operatorship Agreement**"),

and "**Transfer of Operatorship Agreement**" shall mean any one of them

"**Transferee**" has the meaning given to it in the relevant Transfer of Operatorship Agreement

"**Transferring Employee**" has the meaning given to it in the relevant Transfer of Operatorship Agreement

"**Transferring Transaction Documents**" has the meaning given to it in the Security Trust and Waterfall Deed

"**UKCS**" means the United Kingdom Continental Shelf

"**US Dollars**" or "**US\$**" means the lawful currency of the United States of America

"**VAT**" means Value Added Tax as charged under the UK Value Added Tax Act 1994 and any Tax replacing or supplementing the same

"**Vendor Loan Facility Agreement**" means the agreement in agreed form to be entered into between the Seller and the Buyer at Completion setting out the terms on which the Seller may loan certain amounts to the Buyer under this Deed

"**Well**" or "**Wells**" means all wellbores, both abandoned and not abandoned, including oil wells, gas wells, injection wells, disposal wells and water wells

"**Withdrawal Amounts**" means the NPS Withdrawal Amount and the SVT Withdrawal Amount

"**WOSPS**" means the West of Shetland Pipeline System

1.2 In this Deed, unless the context otherwise requires:

- 1.2.1 a document expressed to be in the **agreed form** means a document in a form which has been agreed by the Parties on or before the date of this Deed and the SPA and initialled by the Buyer and the Seller for identification purposes and which is named in Schedule 9 of the SPA;
- 1.2.2 all references to Paragraphs and Exhibits are, unless otherwise expressly stated, references to paragraphs of and exhibits to this Schedule 2;
- 1.2.3 other than in relation to the Additional Sale Interests Documents, references to this Deed or any other document or to any specified provision of this Deed or any other document are to this Deed, that document or that provision as from time to time amended, novated, restated and/or supplemented in accordance with the terms of this Deed or that document or, as the case may be, amended, novated, restated and/or supplemented with the agreement of the relevant parties. References to the Additional Sale Interests Documents are to such Additional Sale Interests Documents as from time to time amended, novated, restated and/or supplemented with the agreement of the relevant parties provided that any such amendments or supplements to the Additional Sale Interests Documents have been Disclosed to the Buyer prior to the date of this Deed (or otherwise within the knowledge of the Buyer) or made after the date of this Deed but before SPA Completion with the Buyer's written consent pursuant to article 1.1.3 or 1.1.14 of Exhibit 3 (or its deemed consent pursuant to

article 1.8 of Exhibit 3) or (post-SPA Completion) pursuant to the terms of the Magnus Joint Operating Agreement;

- 1.2.4 the headings in this Deed are inserted for convenience only and shall be ignored in construing this Deed;
- 1.2.5 unless the context otherwise requires, words importing the singular include the plural and *vice versa* and words importing a gender include every gender;
- 1.2.6 unless otherwise specified, references to time are to London (England) time;
- 1.2.7 the rule known as the *ejusdem generis* rule shall not apply and accordingly words introduced by words and phrases such as "include", "including", "other" and "in particular" shall not be given a restrictive meaning or limit the generality of any preceding words or be construed as being limited to the same class as the preceding words where a wider construction is possible;
- 1.2.8 any reference to "writing" or "written" includes faxes and any legible reproduction of words delivered in permanent and tangible form (including e-mail);
- 1.2.9 references in this Deed to any statute, statutory provision or other legislation include a reference to that statute, statutory provision or legislation as amended, extended, re-enacted, consolidated or replaced from time to time (whether before or after the date of this Deed) and include any order, regulation, instrument or other subordinate legislation made under the relevant statute, statutory provision or legislation;
- 1.2.10 references to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, organisation, body, official or any legal concept, state of affairs or thing shall in respect of any jurisdiction other than England shall be deemed to include that which most nearly approximates in that jurisdiction to the English legal term;
- 1.2.11 this Deed was negotiated in English and, to be valid, all certificates, communications and other documents made in connection with it shall be in English. If all or any part of this Deed or any such certificate, communication or other document is for any reason translated into any language other than English the English text shall prevail; and
- 1.2.12 a company is a "subsidiary" of another company, its "holding company", if that other company:
 - (a) holds a majority of voting rights in it; or
 - (b) is a shareholder of it and has the right to appoint a majority of its board of directors; or
 - (c) is a shareholder of it and controls alone, or pursuant to an agreement with other shareholders, a majority of the voting rights in it; or
 - (d) is a subsidiary of a company that is itself a subsidiary of that other company,and in interpreting this Paragraph 1.2.12 for the purposes of this Deed, a company is to be treated as a shareholder of a subsidiary even if its shares are registered in the name of (a) a nominee, or (b) a Person holding security over those shares, or that secured party's nominee.

2. AGREEMENT TO SELL THE ADDITIONAL SALE INTERESTS

- 2.1 Subject to the terms of this Schedule 2 and, in particular, the satisfaction or valid waiver of the Conditions pursuant to Paragraph 4, the Seller shall sell to the Buyer, and the Buyer shall purchase from the Seller, the Additional Sale Interests.
- 2.2 The Seller shall sell the Additional Sale Interests free from Encumbrances other than the Permitted Encumbrances.

3. CONSIDERATION FOR THE ADDITIONAL SALE INTERESTS

Consideration

- 3.1 The consideration to be provided by or on behalf of the Buyer for the sale and purchase of the Additional Sale Interests shall be:
- 3.1.1 three hundred million US Dollars (US\$300,000,000) (the "**Base Consideration**");
 - 3.1.2 plus (if the Actual Adjustment Amount is a positive figure) or minus (if the Actual Adjustment Amount is a negative figure), the Actual Adjustment Amount (together with the Base Consideration, the "**Completion Consideration**"); and
 - 3.1.3 an amount (whether positive or negative) equal to the aggregate amount of any Positive Additional Consideration Amounts minus an amount equal to the aggregate amount of any Negative Additional Consideration Amounts (being, together with the Completion Consideration, the "**Cash Consideration**"); and
 - 3.1.4 entry into the Net Cashflow Share Deed (being, together with the Cash Consideration, the "**Total Consideration**").
- 3.2 The Completion Consideration shall be as set out in the Final Completion Statement and shall be determined and paid in accordance with this Paragraph 3 and Exhibit 2. Following Completion, the relevant provisions of part E of Exhibit 2 shall apply in respect of the determination and payment of any Balancing Payment that is required to be made.
- 3.3 Any Positive Additional Consideration Amounts and Negative Additional Consideration Amounts shall be determined and paid in accordance with part G of Exhibit 2.

Completion Payment

- 3.4 As soon as practicable following the CP Satisfaction Date and no later than three (3) Business Days prior to the Scheduled Completion Date the Seller shall provide the Buyer with a written statement (the "**Completion Payment Statement**") in the form set out in part C of Exhibit 2, together with reasonable supporting evidence of the Seller's calculations.
- 3.5 The Completion Payment shall be payable at Completion in accordance with Paragraph 6 and Exhibit 4. Subject to its terms (and the terms of the Security Trust and Waterfall Deed), the Buyer's obligation to pay the Completion Payment may be partially satisfied by a drawdown under the Vendor Loan Facility Agreement and payment of the same to the Seller.

Completion Consideration

- 3.6 No sum shall be taken into account more than once in the calculation of the Provisional Adjustment Amount, the Actual Adjustment Amount and/or the Completion Consideration and no sum taken into account in those calculations shall comprise a Liability or Benefit for the purposes of Paragraphs 11.4 and 11.5 and no amount paid as a Liability or Benefit under Paragraph 11.8 shall be taken into account for the purposes of those calculations.

- 3.7 The Completion Consideration shall, subject to Exhibit 8 (Tax), be allocated for tax purposes as set out in part F of Exhibit 2. The Seller and the Buyer agree that the said allocation is a just and reasonable apportionment of the Completion Consideration.
- 3.8 All payments made by the Seller to the Buyer or by the Buyer to the Seller under this Schedule 2 shall be deemed, for Taxation purposes and to the extent possible, as an adjustment to the Total Consideration.

4. CONDITIONS AND TERMINATION

Conditions

- 4.1 The obligation of the Seller and the Buyer to complete the sale and purchase of the Additional Sale Interests under this Schedule 2 is conditional on the satisfaction or valid waiver (in accordance with Paragraph 4.6) of the following conditions (the "**Conditions**");
- 4.1.1 the Buyer having delivered the Call Option Notice to the Seller in accordance with Clause 2.3 of this Deed;
- 4.1.2 the Secretary's written consent to the assignment of an interest in the Licence to the Buyer having been obtained (the "**OGA Condition**");
- 4.1.3 all necessary written consents, approvals or waivers, as the case may be, from the Relevant Third Parties in relation to the transfer by the Seller to the Buyer of the Additional Sale Interests having been obtained and the execution of the Novation Agreements by the Relevant Third Parties (other than the Secretary) (the "**Third Party Consents Condition**");
- 4.1.4 SPA Completion having occurred;
- 4.1.5 the Buyer having entered into a sale and purchase agreement (or amendment to the same) under which the Buyer will sell to a third party all Natural Gas produced in respect of the Additional Magnus Interest following Completion (the "**GSA Condition**");
- 4.1.6 if the Buyer has notified the Seller on exercise of the Call Option that it does not intend to enter into and draw amounts under the Vendor Loan Facility Agreement, the Buyer having provided the equivalent security package (including the equivalent ranking and protections) set out in clause 3 of the Security Trust and Waterfall Deed (subject only to Completion) to its satisfaction (acting reasonably) (the "**Security Package Condition**"); and
- 4.1.7 if such approval is determined to be required pursuant to Paragraph 4.3.1(a), EnQuest Parent's shareholders having approved the Transaction by ordinary resolution at a general meeting of EnQuest Parent (the "**Class 1 Condition**").

Each of the Seller and the Buyer shall promptly provide to the other all such information and documentation concerning that other Party as may reasonably be necessary to enable the other Party to prepare and submit all necessary applications, notifications and filings required by any Government Entity or other relevant competent authority in connection with the Transaction or otherwise to satisfy the Conditions.

- 4.2 On and from the Class 1 Condition Satisfaction Date, the Seller shall use all reasonable endeavours to procure that the OGA Condition and the Third Party Consents Condition are satisfied as soon as practicable and in any event on or before the Long-stop Date. Without

limiting the generality of the foregoing, the Seller's all reasonable endeavours obligations pursuant to this Paragraph 4.2 to satisfy the said Conditions shall include an obligation:

4.2.1 in respect of the OGA Condition, to prepare promptly and submit the necessary applications to the Secretary; and

4.2.2 in respect of the Third Party Consents Condition to:

- (a) circulate promptly the Novation Agreements and any notices of assignment required by the relevant Additional Sale Interests Documents to the Relevant Third Parties and request prompt execution thereof;
- (b) agree amendments to the Novation Agreements reasonably requested by Relevant Third Parties following consultation with and agreement by the Buyer (acting reasonably); and
- (c) procure that each member of the Seller's Group which is a Relevant Third Party shall, to the extent that the following is exercisable by the member of the Seller's Group without such member first requiring the consent or approval of a Relevant Third Party which is not a member of the Seller's Group, provide any necessary written consent, approvals or waivers and execute any Novation Agreements to which it is a party as soon as practicable after the date of this Deed and in any event prior to the Long-stop Date,

provided that the Seller shall not be required to provide, or procure that any other Person provide, any form of credit support, undertaking, commitment, security or guarantee in favour of any Relevant Third Party or any other Person in order to obtain the satisfaction of any of the Conditions.

4.3

4.3.1 On and from the Call Option Notice Date, the Buyer shall use all reasonable endeavours to procure that the Class 1 Condition is satisfied as soon as practicable thereafter (subject always to the fiduciary duties of the directors of EnQuest Parent). Without limiting the generality of the foregoing, the Buyer's all reasonable endeavours obligations pursuant to this Paragraph 4.3.1 to satisfy the Class 1 Condition shall include an obligation:

- (a) to determine if, pursuant to the Financial Conduct Authority's listing rules, the Class 1 Condition is required and, if so determined, to notify the Seller as soon as possible thereafter;
- (b) if the Class 1 Condition is required, to prepare and finalise, subject to the approval of the Financial Conduct Authority, any circular required to be produced by EnQuest Parent in order to satisfy the Class 1 Condition (such circular to contain a notice to convene a general meeting of EnQuest Parent as soon as is permitted after its despatch under the Companies Act 2006 and the articles of association of EnQuest Parent); and
- (c) subject to its approval by the Financial Conduct Authority, despatch the approved circular to EnQuest Parent's shareholders as soon as practicable following the Call Option Notice Date.

4.3.2 On and from the Class 1 Condition Satisfaction Date, the Buyer shall use all reasonable endeavours to procure that the OGA Condition, the Third Party Consents Condition and the GSA Condition are satisfied as soon as practicable and in any event on or before the Long-stop Date. Without limiting the generality of the foregoing, the Buyer's all reasonable endeavours obligations pursuant to this Paragraph 4.3.2 to satisfy the said Conditions shall include an obligation:

- (a) in respect of the OGA Condition to:
 - (i) provide all information reasonably requested by the Seller to assist the Seller in preparing and finalising the application(s) to the Secretary (including a copy of a financial and technical capability case relating to the Buyer, substantially in the form of the Buyer Financial and Technical Capability Case); and
 - (ii) provide and/or procure the provision of a parent company guarantee if required by the Secretary in order to obtain fulfilment of the OGA Condition;
- (b) in respect of the Third Party Consents Condition to:
 - (i) provide a copy of a financial and technical capability case relating to the Buyer, substantially in the form of the Buyer Financial and Technical Capability Case to all Relevant Third Parties promptly following the date of this Deed or otherwise following a written request to so provide from the Seller;
 - (ii) provide such further information and documentation as the Seller and/or any recipient of the Buyer Financial and Technical Capability Case may reasonably require in order to supplement the Buyer Financial and Technical Capability Case or otherwise demonstrate the Buyer's financial and technical capacity to become owner of the Additional Sale Interests and attend all relevant meetings as may be reasonably requested by the Seller to assist the Seller in achieving the third-party consents and approvals necessary to fulfil the Third Party Consents Condition; and
 - (iii) provide and/or procure the provision of any parent company guarantee as may be requested by any Relevant Third Party (other than a member of the Seller's Group, unless such a Person is obliged to request such parent company guarantee as an operator as a result of its contractual relationship with any Relevant Third Party/Parties) to any Additional Sale Interests Document to obtain the release of the Seller from its relevant obligations and to assist the Seller in achieving the third-party consents and approvals necessary to fulfil the Third Party Consents Condition,

provided that neither the Buyer nor EnQuest Parent shall be required to provide, or procure that any other Person provide any form of credit support, undertaking, commitment or security (other than a parent company guarantee) in favour of any Relevant Third Party, the Secretary or any other Person in order to obtain the satisfaction of any of the Conditions.

- 4.4 Each Party shall give written notice to the other Party that a relevant Condition has been satisfied as soon as practicable following such satisfaction, and in any event within two (2) Business Days of becoming aware of that fact (unless such notice has already been provided by the other Party).
- 4.5 If at any time the Seller or the Buyer becomes aware of a fact or circumstance that might prevent or materially delay any of the Conditions being satisfied, it shall promptly notify the other Party in writing of such fact or circumstance. If the ordinary resolution required to be passed in order to satisfy the Class 1 Condition is not approved at the general meeting of EnQuest Parent convened pursuant to the circular issued under Paragraph 4.3.1(c), this Agreement shall terminate automatically and Clause 4.2 shall apply.
- 4.6 Without prejudice to any other rights which the respective Party has under this Schedule 2:
- 4.6.1 the OGA Condition and the Third Party Consents Condition may be waived by the Seller and the Buyer by agreement in writing; and
- 4.6.2 the GSA Condition may be waived by the Seller alone in writing,
- and any such waiver shall be irrevocable provided that no Condition shall be treated as satisfied or waived unless all parts of such Condition have been satisfied and/or waived.

Termination

- 4.7 If any of the Conditions are not satisfied or validly waived on or before the Long-stop Date and either of the Buyer or the Seller notifies the other Party in writing after the Long-stop Date that it wishes to terminate this Deed, then this Deed shall terminate with effect from the date of the notification and the provisions of Clause 4.2 shall apply.
- 4.8 If on or after the date of this Deed but before Completion a Buyer Material Adverse Event occurs, then the Seller may by written notice to the Buyer terminate this Deed with immediate effect and the provisions of Clause 4.2 shall thereupon apply. The Buyer undertakes to give prompt notice to the Seller of any Buyer Material Adverse Event occurring on or after the date of this Deed but before Completion.
- 4.9 If on or after the date of this Deed but before Completion a Seller Material Adverse Event occurs, then the Buyer may by written notice to the Seller terminate this Deed with immediate effect and the provisions of Clause 4.2 shall thereupon apply. The Seller undertakes to give prompt notice to the Buyer of any event or any series of events which constitutes (or is likely to constitute) a Seller Material Adverse Event prior to Completion. If a Seller Material Adverse Event occurs and the Buyer does not exercise its rights to terminate this Agreement, any right the Buyer may have to make a Buyer Claim (including a claim for breach of the Seller's Warranties) shall be preserved and shall be unaffected.
- 4.10 Except as set out in Paragraphs 4.7, 4.8, 4.9 and 6.2, neither the Buyer nor the Seller shall have any right to rescind or terminate this Deed whether before, on or after Completion.

5. PERIOD BETWEEN THE CALL OPTION NOTICE DATE AND COMPLETION

On and from the Call Option Notice Date and pending Completion or the earlier termination of this Deed in accordance with its terms, the Parties shall comply with the terms of Exhibit 3.

6. COMPLETION

- 6.1 Subject to the provisions of this Deed, and provided that all the Conditions have been satisfied or validly waived in full in accordance with the terms of this Schedule 2, Completion shall take

place at the offices of Seller's Counsel at Cannon Place, 78 Cannon Street, London, or at such other place as the Parties may agree in writing, on the Scheduled Completion Date, when all (but, subject to Paragraph 6.2 not part only, unless the Parties so agree in writing) of the business set out in Exhibit 4 shall be transacted.

6.2 If a Party (the "**Defaulting Party**") fails or is unable to comply with any of its obligations under Exhibit 4 on the Scheduled Completion Date then, if the Buyer is the Defaulting Party, the Seller, or if the Seller is the Defaulting Party, the Buyer (the "**Non-defaulting Party**") may elect to:

6.2.1 defer Completion to the final Business Day of the following calendar Month (the "**Deferred Completion Date**") (in which case the provisions of this Paragraph 6 and Exhibit 4 shall apply to Completion as so deferred and the references to Scheduled Completion Date shall be construed as referring to the Deferred Completion Date);

6.2.2 proceed to Completion so far as practicable but without prejudice to the Non-defaulting Party's rights where the Defaulting Party has not complied with its obligations under this Deed; or

6.2.3 terminate this Deed following which the provisions of Clause 4.2 shall apply.

6.3 All provisions of this Deed shall so far as they are capable of being performed or observed continue in full force and effect notwithstanding Completion except in respect of those matters then already performed and Completion shall not constitute a waiver of any Party's rights in relation to this Deed.

7. POST COMPLETION

7.1 The Seller shall ensure that (to the extent not delivered prior to Completion whether pursuant to this Deed or the SPA or otherwise) copies of the Additional Sale Interests Documents and all other Data in the possession or control of the Seller are made available for collection by the Buyer, at its own expense, within normal business hours as soon as reasonably practicable after Completion.

7.2 From Completion the Buyer and the Seller shall comply with their respective obligations set out in Exhibits 2 and 8.

7.3 On and after Completion:

7.3.1 the Buyer shall procure, acting in good faith, that its Additional Magnus Interest share of all Petroleum produced under the Licence (the "**Additional Magnus Interest Production**") is sold on an arm's-length basis, at a fair market value; and

7.3.2 the Buyer shall not enter into any forward price-hedging, exchange contract or other derivative trade or swap of any kind which is specifically linked to the Additional Magnus Interest Production (provided that nothing in this Paragraph 7.3.2 or other provision of this Schedule 2 shall prevent other members of the Buyer's Group from entering into any forward price-hedging, exchange contract or other derivative trade or swap of any kind in respect of prices or production attributable to the Buyer's Group which are not specifically linked to the Additional Magnus Interest Production).

7.4 If, after Completion, any Relevant Third Party makes any payment to or provides any security in favour of the Buyer in respect of any liability for the Decommissioning of the Existing Property or any part thereof, the Buyer shall: (i) on the occurrence of a payment, within ten (10) Business Days pay an amount equal to the whole of any such payment to the Seller, less any Tax and

reasonable costs payable by the Buyer in respect of the receipt of such payment, and (ii) on the occurrence of the provision of any security in respect of the same, use reasonable endeavours to procure the provision to the Seller of the whole of the benefit of such security.

- 7.5 To the extent that the Seller receives any sum prior to Completion relating to the insurance claims referred to in article 1.1.12(b) of Exhibit 3 that would have been recoverable under the Buyer Insurance Terms and such amount is not used for the reinstatement, compensation, containment or rectification relating to the Additional Sale Interests, the Seller shall account to the Buyer at Completion for such amount to the extent that such amount relates to the Additional Sale Interests. The Seller shall account to the Buyer for any such amounts up to an amount equal to three times (3x) the amount which would have been recoverable under the Buyer Insurance, less any reasonable costs incurred by the Seller (or any other member of the Seller's Group) in pursuing such claims.
- 7.6 Following Completion, the Seller shall continue to pursue all insurance claims referred to in article 1.1.12(b) of Exhibit 3 and shall account to the Buyer for any amounts received by the Seller after Completion in or towards settlement of any such claim to the extent that such amounts (i) relate to the Additional Sale Interests and (ii) would have been recoverable under the Buyer Insurance Terms. The Seller shall account to the Buyer for any such amounts up to an amount equal to three times (3x) the amount which would have been recoverable under the Buyer Insurance, less any reasonable costs incurred by the Seller in pursuit of such claims within twenty (20) Business Days of the receipt of such amounts by the Seller.

8. SELLER'S WARRANTIES

- 8.1 The Seller warrants to the Buyer that each of the Seller's Warranties is true and accurate as at the date of this Deed. The Seller shall repeat the Title and Authority Warranties at Completion by reference to the facts and circumstances then existing.
- 8.2 The Seller's Warranties are qualified to the extent of those matters Disclosed. For the purposes of this Schedule 2, "**Disclosed**" means facts, matters or other information disclosed in: (i) the Disclosure Letter (or any of the schedules, annexures or exhibits thereto) and/or; (ii) the contents of the Data Room Disclosed Documents and Information, in each case in such manner and in such detail as to enable the Buyer to make an assessment of the nature, scope and impact of the fact, matter or other information disclosed.
- 8.3 The Seller's Warranties are further qualified by:
- 8.3.1 the contents of the Transaction Documents and any other agreement or document to be entered into at Completion which is in agreed form as at the date of this Deed; and
 - 8.3.2 all matters to the extent disclosed (in such manner and in such detail as to enable the Buyer to make an assessment of the nature, scope and impact of the matter) in the written management presentations prepared by or on behalf of the Seller entitled Magnus Management Presentation dated May 2015 and SVT Management Presentation dated May 2015.
- 8.4 In each Seller's Warranty, where any statement is qualified as being made "so far as the Seller is aware" or any similar or analogous expression, such term(s) shall mean the actual knowledge of any of Ken Konrad (Director, M&A), Dominic Perkins (Project Manager, M&A), Jason Lambert (Associate Manager, M&A), Martyn Lambson (M&A HSSE), Rita Lovell (M&A HSSE), Constance Lumsden (Head of Financial Control), Mark Walters (Financial Control), Phil Dawson (Senior BD Advisor), Philip Chalmers (Senior Counsel), Jaqui Freeman (Assistant Tax Director),

Phil Stanley (Senior Tax Adviser), Bruce Price (VP Operations – UK Offshore), Peter Miller (VP Midstream North Sea), Mike Killeen (Area Operations Manager – Bruce and Magnus) and Rob Sullivan (Senior Counsel) as at the date of this Deed.

8.5 The Seller's Warranties shall not in any respect be extinguished or affected by Completion.

8.6 Except as expressly set out in the Seller's Warranties, the Seller makes no representation or warranty as to:

8.6.1 the amounts, quality or deliverability of reserves of Petroleum attributable to the Additional Sale Interests;

8.6.2 any geological, geophysical, engineering, economic or other interpretations, forecasts or evaluations;

8.6.3 any forecast of expenditures, budgets or financial projections;

8.6.4 any geological formation, drilling prospect or hydrocarbon reserve and the Buyer affirms and acknowledges that it has made its own independent assessment and evaluation of these matters; or

8.6.5 the state, condition or fitness for purpose of any of the Magnus Property, Joint Property, Facilities or Wells,

whether implied by statute, common law or otherwise.

9. LIMITATIONS ON SELLER'S LIABILITY AND THIRD PARTY CLAIMS

9.1 The provisions of part A of Exhibit 6 shall apply in relation to the liability of the Seller under this Schedule 2.

9.2 The provisions of part B of Exhibit 6 shall apply in relation to Third Party Claims.

10. BUYER'S WARRANTIES

10.1 The Buyer warrants to the Seller that each of the Buyer's Warranties is true and accurate as at the date of this Deed.

10.2 In each Buyer's Warranty, where any statement is qualified as being made "so far as the Buyer is aware" or any similar or analogous expression, such term(s) shall mean the actual knowledge of any of Faysal Hamza, Andy Lane, Pamela Thomson, Salman Malik, Craig Stewart, Paul Massie, Stefan Ricketts, Victoria Presly and John Cowie as at the date of this Deed.

10.3 The Buyer's Warranties shall not in any respect be extinguished or affected by Completion.

11. DECOMMISSIONING, ENVIRONMENT AND GENERAL INDEMNITIES

Decommissioning Liabilities for the account of the Seller

11.1 On and from Completion:

11.1.1 the Seller shall bear any and all Decommissioning Liabilities arising in respect of the Seller P&A Wells, the SVT Tanks, the MEOR Facilities, the Magnus Phase 3 Property and the Existing Property and shall indemnify, keep indemnified and hold harmless, on demand, the Buyer and/or any member of the Buyer's Group against all and any Decommissioning Liabilities in respect of the same (whether arising before, on or after the Completion Date and regardless of whether arising due to the negligence or breach of duty (statutory or otherwise) of the Buyer and/or or any member of the

Buyer's Group, and/or the agents, contractors, sub-contractors, employees and officers of the Buyer and/or any member of the Buyer's Group);

- 11.1.2 to the extent that the Buyer has not already settled the relevant Decommissioning invoice (or, if relevant, part thereof), the Buyer covenants that the whole of any payments it receives from the Seller pursuant to this Paragraph 11.1 shall be used by the Buyer to settle the relevant Decommissioning invoice(s) (or if such an invoice is only partly related to the Seller P&A Wells, the SVT Tanks, the MEOR Facilities, the Magnus Phase 3 Property and/or the Existing Property, to settle that part of the relevant invoice(s)), and the Buyer shall promptly provide the Seller with reasonable evidence of such settlement;
- 11.1.3 after Completion, nothing in this Schedule 2 shall oblige the Seller to perform or be responsible for the performance of any Decommissioning of any part of the Additional Sale Interests; and
- 11.1.4 the Seller shall have the right to receive all Benefits, reliefs or rebates of any kind in relation to Taxation that arise out of or in connection with any payment made by it pursuant to this Paragraph 11.1 and any Liabilities arising in respect of the Seller P&A Wells, the SVT Tanks, the MEOR Facilities, the Magnus Phase 3 Property and the Existing Property, and the Buyer shall and shall procure that any other members of the Buyer's Group shall use all reasonable endeavours to ensure the Seller receives all such Benefits, reliefs or rebates as far as permitted by Law. In the event that such Benefits, reliefs or rebates accrue or are otherwise directly or indirectly received by the Buyer or other members of the Buyer's Group, the Buyer shall inform the Seller within ten (10) Business Days of such accrual or receipt and arrange for repayment of the same (less any Tax, costs or expenses which arise in relation to any such receipt) to the Seller within twenty (20) Business Days of such accrual or receipt.

Decommissioning Liabilities for the account of the Buyer

- 11.2 On and from Completion, the Buyer shall bear any and all Decommissioning Liabilities arising in respect of the Other Property, and shall indemnify, keep indemnified and hold harmless, on demand, the Seller and/or any member of the Seller's Group against all and any Decommissioning Liabilities in respect of the same (whether arising before, on or after Completion and regardless of whether arising due to the negligence or breach of duty (statutory or otherwise) of the Seller and/or or any member of the Seller's Group, and/or the agents, contractors, sub-contractors, employees and officers of the Seller and/or any member of the Seller's Group).

Environmental Liabilities for the account of the Buyer

- 11.3 On and from Completion, the Buyer shall bear any and all Environmental Liabilities and shall indemnify, keep indemnified and hold harmless, on demand, the Seller and/or any member of the Seller's Group against all and any Environmental Liabilities (whether arising before, on or after Completion and regardless of whether arising due to the negligence or breach of duty (statutory or otherwise) of the Seller and/or or any member of the Seller's Group, and/or the agents, contractors, sub-contractors, employees and officers of the Seller and/or any member of the Seller's Group). Notwithstanding the foregoing, nothing in this Paragraph 11.3 shall require the Buyer to reimburse, repay or indemnify the Seller or any member of the Seller's Group for: (i) any amounts actually expended by the Seller or any member of the Seller's Group prior to the Economic Date; (ii) any amounts which the Seller or any member of the Seller's Group has

actually received (less any out of pocket expenses incurred in recovering the amount) under any mutual hold harmless arrangements with its contractors; or (iii) any amounts which arose due to the wilful misconduct of the Seller and/or any member of the Seller's Group. Where the Seller is entitled to recover from any contractor any amount to which paragraph (ii) above would apply, the Seller shall use reasonable endeavours to procure the recovery of that amount. The Seller shall keep the Buyer fully and promptly informed of the conduct and outcome of any such recovery.

11.4 Subject to Paragraphs 11.1 to 11.3, 11.6, 11.7, 11.8 and 11.10, on and from Completion:

11.4.1 the Seller shall be liable for all Pre-Economic Date Costs and the Retained Expenditure and shall be entitled to all Pre-Economic Date Benefits;

11.4.2 the Seller agrees to indemnify, keep indemnified and hold harmless, on demand, the Buyer and each member of the Buyer's Group against any Pre-Economic Date Costs and Retained Expenditure which are or is incurred by the Buyer or any member of the Buyer's Group; and

11.4.3 the Buyer shall pay to the Seller an amount equal to any Pre-Economic Date Benefits or transfer to the Seller any Pre-Economic Date Benefits received by the Buyer or any member of the Buyer's Group (net of applicable Taxes and less any directly applicable costs).

11.5 Subject to Paragraphs 11.1 to 11.3, 11.6, 11.7, 11.8 and 11.10 and part G of Exhibit 2, following Completion:

11.5.1 the Buyer shall be liable for all Post-Economic Date Costs and shall be entitled to all Post-Economic Date Benefits;

11.5.2 the Buyer agrees to indemnify, keep indemnified and hold harmless, on demand, the Seller and each member of the Seller's Group against any Post-Economic Date Costs which are incurred by the Seller or any member of the Seller's Group; and

11.5.3 the Seller shall pay to Buyer an amount equal to any Post-Economic Date Benefits or transfer to the Buyer any Post-Economic Date Benefits received by the Seller or any member of the Seller's Group (net of applicable Taxes and less any directly applicable costs).

11.6 Paragraphs 11.4 and 11.5 shall not apply to any Benefits forming part of a Seller Retained Claim. Any settled or unsettled Benefits forming part of a Seller Retained Claim existing prior to, on or after the Economic Date (regardless of whether such Benefits are known or unknown, suspected or unsuspected or actual or contingent as at the date of this Deed) shall be for the Seller's account. If the Buyer receives any amount (whole or in part) which relates to a Seller Retained Claim, it shall hold it on trust for the Seller and notwithstanding Paragraph 11.8 shall, as soon as reasonably practicable, pay it to the Seller's Nominated Account. The Seller may elect to retain full and exclusive conduct of the Seller Retained Claims, and the recovery of all related Benefits, notwithstanding the transfer of the Interests in accordance with this Deed and the Seller shall act reasonably in conducting a Seller Retained Claim and keep the Buyer reasonably informed of the progress of the Seller Retained Claim. Upon the Seller's request (acting reasonably), the Buyer shall use reasonable endeavours to assist the Seller in conducting and/or pursuing the settlement of each Seller Retained Claim, and the recovery of all related Benefits, and the Seller shall reimburse the Buyer for any reasonable costs incurred in providing such assistance.

- 11.7 The Seller shall not be entitled to recover from the Buyer under this Paragraph 11 any amounts which it has been agreed or otherwise determined that the Buyer is so entitled to recover from the Seller pursuant to a Buyer Claim for a breach by the Seller of the Seller's Warranties or a breach by the Seller of Paragraph 5 or Exhibit 3.
- 11.8 Any amount to be paid or reimbursed in accordance with any provision of this Paragraph 11 shall be paid or reimbursed within ten (10) Business Days of receipt thereof (or, in the case of Liabilities, within ten (10) Business Days of receipt of notification from the party which has incurred such Liabilities) to the Seller's Nominated Account or the Buyer's Nominated Account (as applicable).
- 11.9 Where an audit takes place pursuant to an Operating Agreement after Completion which may affect any Pre-Economic Date Benefits or Pre-Economic Date Liabilities accruing to the Seller, the Buyer (to the extent it is not the relevant Operator) shall use all reasonable endeavours to enable the Seller to make representations directly to any relevant Operator and shall in any event be obliged to take account of the Seller's representations in connection with such audit and to notify the Seller of any audit adjustment as soon as practicable after the results of such audit are known. If as a result of any audit adjustment or otherwise, either the Seller or the Buyer is, on the principles set out in Paragraphs 11.4 and 11.5, so liable to pay any amount to the other, then, to the extent that account has not already been taken of such amount in the Completion Payment Statement, or the amount has not otherwise been paid in accordance with this Paragraph 11, such amount shall be paid to the Seller's Nominated Account or the Buyer's Nominated Account (as appropriate) within thirty (30) Business 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 relevant Operator in its billing statement.
- 11.10 As a result of the Transaction, the Parties agree that the Buyer shall not acquire any interest in or become party to the Seller Retained Agreements and, subject to Completion occurring, the Seller shall be responsible for and shall indemnify and hold the Buyer and/or other members of the Buyer's Group harmless against all and any Liabilities incurred by the Buyer and/or other members of the Buyer's Group, however arising (whether arising before, on or after the Completion Date and regardless of whether arising due to the negligence of the Buyer and/or other members of the Buyer's Group or breach of duty (statutory or otherwise) on the part of the Buyer and/or other members of the Buyer's Group, and/or the agents, contractors, sub-contractors, employees and officers of the Buyer and/or other members of the Buyer's Group) in connection with any and all of the Seller Retained Agreements.
- 11.11 The rights and obligations in this Paragraph 11 shall not come into effect unless and until Completion takes place.

12. TAX

The provisions of Exhibit 8 shall apply in relation to Tax.

EXHIBIT 1
ADDITIONAL SALE INTERESTS DOCUMENTS

EXHIBIT 1
Interests Documents

Part A – 1 – SVT Interests and NPS Interests
Operating Agreements

1. Sullom Voe Terminal

| | |
|---|--|
| Operator | BP Exploration Operating Company Limited |
| Operating Agreement | Sullom Voe Terminal Operating Agreement dated 21 April 1999 (as amended and restated on 21 October 2015) |
| Seller's participating interest as at the date of this Agreement | 12.061142% |

2. Ninian Pipeline System

| | |
|---|---|
| Operator | BP Exploration Operating Company Limited |
| Operating Agreement | Ninian Pipeline Operating Agreement dated 21 April 1999 |
| Seller's participating interest as at the date of this Agreement | Pipeline Equity: 15.33901623% Deemed Terminal Equity: 31.760909% |

Part A – 2

Interests Documents – SVT Interests and NPS Interests

1. Sullom Voe Terminal Interest

| No. | Agreement | Date |
|---|---|------------------|
| SULLOM VOE TERMINAL OPERATING AGREEMENT | | |
| 1. | Sullom Voe Terminal Operating Agreement (as amended and restated on 21 October 2015) | 21 April 1999 |
| 2. | Supplemental Agreement to the Sullom Voe Terminal Operating Agreement in relation to the Sharing of Capital Costs Associated with the Aurora (Right Plant) Project | 20 March 2008 |
| 3. | First Amendment Agreement to the Supplemental Agreement to the Sullom Voe Terminal Operating Agreement in relation to the Sharing of Capital Costs Associated with the Aurora (Right Plant) Project dated 20 March 2008 | 16 April 2009 |
| 4. | Side Agreement to the Sullom Voe Terminal Operating Agreement for the sharing and allocation of liability under the Aurora CTIA | 16 April 2009 |
| 5. | Construction and Tie-In Agreement in relation to the Aurora Project | 16 April 2009 |
| 6. | Trust Deed Reference: 201373 pursuant to the Sullom Voe Terminal Operating Agreement | 22 July 2015 |
| 7. | Supplemental Agreement to the Sullom Voe Terminal Operating Agreement in relation to the Shetland Gas Plant tie in to Sullom Voe Terminal | 21 October 2015 |
| SULLOM VOE TERMINAL CROSS-USER LIABILITY AGREEMENT | | |
| 8. | Sullom Voe Terminal Cross-User Liability Agreement | 21 April 1999 |
| THIRD PARTY AGREEMENTS – MAGNUS | | |
| 9. | Magnus Enhanced Oil Recovery/Sullom Voe Terminal Gas Sales and Services Agreement (in respect of the Seller's capacity as the Terminal Operator/Owner) | 6 September 2000 |
| 10. | Engineering Services Agreement in relation to Magnus Enhanced Oil Recovery Project (in respect of the Seller's capacity as the Terminal Operator/Owner) | 6 September 2000 |

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| 11. | Magnus/Sullom Voe Terminal Brent and Ninian Gas Sale and Purchase Agreement | 19 March 2008 |
| 12. | Amendment Agreement to Magnus/Sullom Voe Terminal Brent and Ninian Gas Sale and Purchase Agreement | 16 April 2009 |
| THIRD PARTY AGREEMENTS – CLAIR | | |
| 13. | Construction and Tie-In Agreement | 14 January 2002 |
| 14. | Agreement for Receipt, Storage and Delivery Services at Sullom Voe Terminal | 14 January 2002 |
| 15. | Letter Agreement regarding funding of study works in respect of proposed Clair additional terminal facilities at the Terminal | 6 December 2012 |
| 16. | Construction and Tie-In Agreement in relation to the Clair Additional Storage Tanks and the Clair Terminal Facilities | 27 May 2013 |
| THIRD PARTY AGREEMENTS – LAGGAN-TORMORE | | |
| 17. | Agreement for Condensate Tie-In Pre-Investment work at Sullom Voe Terminal | 2 June 2010 |
| 18. | Agreement for the proposed construction of tie-ins for a Gas Processing Plant adjacent to Sullom Voe Terminal | 8 April 2011 |
| 19. | Interconnection Agreement for the Interconnection of a Gas Processing Plant to the Sullom Voe Terminal | 21 October 2015 |
| THIRD PARTY AGREEMENTS – SCHIEHALLION | | |
| 20. | Schiehallion Field Sullom Voe Terminal Storage and Re-Delivery Agreement | 30 October 2003 |
| 21. | Agreement in respect of Short Term Use of Schiehallion Tanks by the Terminal Owners | 17 June 2013 |
| 22. | Agreement in respect of Short Term Use of Schiehallion Tanks by the Terminal Owners | 18 October 2013 |
| 23. | Side Agreement in respect of Schiehallion Fields Sullom Voe Terminal Storage and Re-Delivery Agreement | 21 May 2015 |
| TARIFF AGREEMENTS | | |
| 24. | Sullom Voe Terminal Tariff Agreement for Broom Field | 22 July 2004 |
| 25. | Sullom Voe Terminal Tariff Agreement for West Don Field | 26 February 2010 |

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| 26. | Sullom Voe Terminal Tariff Agreement for Don Southwest Field | 26 February 2010 |
| 27. | Sullom Voe Terminal Tariff Agreement for Conrie Field | 19 August 2011 |
| 28. | Sullom Voe Terminal Tariff Agreement for Causeway Field | 21 December 2011 |
| 29. | Sullom Voe Terminal Tariff Agreement for Cormorant East Field | 28 December 2012 |
| 30. | Sullom Voe Terminal Tariff Agreement for Fionn Field | 15 May 2013 |
| 31. | Sullom Voe Terminal Tariff Agreement for Ythan Field | 18 February 2015 |
| 32. | Sullom Voe Terminal Tariff Agreement for Cladhan Field | 24 August 2015 |
| 33. | Sullom Voe Terminal Tariff Agreement for Laggan Field | 10 December 2015 |
| 34. | Sullom Voe Terminal Tariff Agreement for Tormore Field | 10 December 2015 |
| 35. | Sullom Voe Terminal Tariff Agreement for Columbia BD Field | 30 June 2016 |
| 36. | Sullom Voe Terminal Tariff Agreement for Columbia E Field | 30 June 2016 |
| MISCELLANEOUS | | |
| 37. | Parent Company Guarantee in relation to the Sullom Voe Terminal Power Focus Project | 28 January 2004 |
| 38. | Utility Supply Contract in relation to the supply of utilities to the Sullom Voe Terminal | 28 January 2004 (<i>in full effect from 30 April 2004</i>) |
| 39. | Contract for Provision of Services for Power Station at Sullom Voe Terminal Contract No. 105691 | 30 April 2014 |
| 40. | Direct Agreement in respect of a Power Purchase Agreement re Power Station at Sullom Voe Terminal, Shetland | 30 January 2015 |
| 41. | Letter Agreement in respect of Appointment of a Substitute Commercial Operator for Magnus MEOR Safety Modifications | 19 December 2016 |
| CONFIDENTIALITY AGREEMENTS | | |
| 42. | Confidentiality Agreement | 7 November 2008 |
| 43. | Confidentiality Agreement | 24 January 2012 |
| 44. | Confidentiality Agreement | 1 May 2012 |
| 45. | Confidentiality Agreement | 8 October 2013 |
| 46. | Confidentiality Agreement | 11 July 2014 |

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| 47. | Confidentiality Agreement | 30 October 2014 |
| 48. | Confidentiality Agreement | 16 July 2015 |

2. Ninian Pipeline Interest

| No. | Agreement | Date |
|---|---|-----------------|
| NINIAN PIPELINE OPERATING AGREEMENT | | |
| 1. | Ninian Pipeline Operating Agreement | 21 April 1999 |
| 2. | Sullom Voe Terminal Operating Agreement (as amended and restated on 21 October 2015) (in respect of the Seller's capacity as Pipeline Operator of the Ninian Pipeline and as a member of the Ninian Pipeline Group) | 21 April 1999 |
| 3. | Supplemental Agreement to the Sullom Voe Terminal Operating Agreement in relation to the Sharing of Capital Costs Associated with the Aurora (Right Plant) Project (in respect of the Seller's capacity as Pipeline Operator of the Ninian Pipeline and as a member of the Ninian Pipeline Group) | 20 March 2008 |
| 4. | First Amendment Agreement to the Supplemental Agreement to the Sullom Voe Terminal Operating Agreement in relation to the Sharing of Capital Costs Associated with the Aurora (Right Plant) Project dated 20 March 2008 (in respect of the Seller's capacity as Operator of the Ninian and as a member of the Ninian Pipeline Group). | 16 April 2009 |
| 5. | Side Agreement to the Sullom Voe Terminal Operating Agreement for the sharing and allocation of liability under the Aurora CTIA (in respect of the Seller's capacity as the Ninian Pipeline Operator and as a member of the Ninian Pipeline Group) | 16 April 2009 |
| 6. | Supplemental Agreement to the Sullom Voe Terminal Operating Agreement in relation to the Shetland Gas Plant tie in to Sullom Voe Terminal (in respect of the Seller's capacity as Pipeline Operator of the Ninian Pipeline and as a member of the Ninian Pipeline Group) | 21 October 2015 |
| SULLOM VOE TERMINAL CROSS-USER LIABILITY AGREEMENT | | |
| 7. | Sullom Voe Terminal Cross-User Liability Agreement (in respect of the Seller's capacity as the Ninian Pipeline Operator and as a Ninian Pipeline Owner) | 21 April 1999 |
| TRANSPORTATION AGREEMENTS | | |

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| 8. | Agreement for the transportation of the Shipper's Share of Broom Pipeline Liquids in the Ninian Pipeline | 22 July 2004 |
| 9. | Agreement for the transportation of the Shipper's Share of Broom Pipeline Liquids in the Ninian Pipeline | 23 July 2004 |
| PROXIMITY AND CROSSING AGREEMENTS | | |
| 10. | Proximity Agreement in respect of the conduct of survey work in proximity to the Ninian Pipeline | 8 May 2007 |
| 11. | Pipeline Crossing Agreement in respect of the crossing of the 36" main oil pipeline from NCP to SVT by the 12" replacement Lyell Production Pipeline | 15 June 2007 |
| 12. | Pipeline Proximity Agreement in respect of the conduct of works with the Laggan-Tormore Project in proximity to the Ninian Pipeline | 9 August 2010 |
| 13. | Proximity Agreement in respect of the conduct of survey work in proximity to the Ninian Pipeline | 26 April 2011 |
| 14. | Pipeline Proximity Agreement in respect of the conduct of works to be carried out in connection with the SIRGE Installation Project in proximity to the Ninian Pipeline | 1 September 2011 |
| 15. | Pipeline Proximity Agreement in respect of the conduct of works to be carried out in connection with the SIRGE Installation Project in proximity to the Ninian Pipeline | 23 February 2012 |
| 16. | Pipeline Crossing Agreement in respect of the crossing of the Ninian Pipeline by the SIRGE Gas Export Pipeline | 6 April 2012 |
| 17. | Pipeline Crossing Agreement in respect of the crossing of the Ninian System Pipeline by the SIRGE Pipeline (PLX 3) | 3 May 2012 |
| 18. | Pipeline Crossing Agreement in respect of the crossing of the Ninian System Pipeline by the SIRGE Pipeline (RDX 2) | 3 May 2012 |
| 19. | Proximity Agreement in respect of the conduct of survey work in proximity to the Ninian Pipeline | 16 July 2014 |
| MISCELLANEOUS | | |
| 20. | Saxa Vord Radio Station Agreement (in respect of the Seller's capacity as Operator of the Magnus Field) | 22 June 1983 |
| 21. | Letter Agreement regarding road construction works to be carried out by the Laggan-Tormore Owners in close proximity to the Ninian Pipeline and the Brent System | 9 August 2010 |

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| 22. | Letter Agreement regarding Ninian Pipeline Works | 12 July 2011 |
| 23. | Letter Agreement regarding Trial Pit Works to be carried out by the SIRGE Owners in close proximity to the Ninian Pipeline and the Brent System | 2 September 2011 |
| 24. | Letter Agreement regarding Trial Pit Works to be carried out by the SIRGE Owners in close proximity to the Ninian Pipeline and the Brent System | 23 February 2012 |
| 25. | Letter Agreement regarding Pipeline Installation Works to be carried out by the SIRGE Owners crossing the Ninian Pipeline and the Brent System | 4 May 2012 |
| 26. | Mutual Hold Harmless and Indemnity Agreement | 21 July 2014 |
| 27. | Mutual Hold Harmless and Support Services Agreement | 17 March 2016 |

**Part B – 1 – Magnus Interest and NLGP Interest
Licence and Operating Agreements**

1. Magnus Field, Magnus South Field and Related Infrastructure

| | |
|---|--|
| Licence | P.193 |
| Block | 211/7a All (Magnus Field) & 211/12a All (Magnus South Field) |
| Operator | BP Exploration Operating Company Limited |
| Operating Agreement | N/A |
| Seller's participating interest as at the date of this Agreement | 100% |

2. Northern Leg Gas Pipeline

| | |
|---|---|
| Operator | BP Exploration Operating Company Limited |
| Operating Agreement | Northern Leg Gas Pipeline Participants Agreement dated 23 December 1981 |
| Seller's participating interest as at the date of this Agreement | 36% |

Part B – 2
Interests Documents – Magnus Interest and NLGP Interest

1. Magnus Interest (Including Main Oil Line)

| No. | Agreement | Date |
|--|---|------------------|
| MAGNUS LICENCE | | |
| 1. | Petroleum Production Licence P.193 to search and bore for and get petroleum in Block Nos. 211/7a ALL and 211/12a ALL | 16 March 1972 |
| MAGNUS FIELD, MAGNUS SOUTH FIELD AND MAIN OIL LINE AGREEMENTS | | |
| 2. | Saxa Vord Radio Station Agreement (in respect of the Seller's capacity as Operator of the Magnus Field) | 22 June 1983 |
| 3. | Agreement between BT and BP | 3 October 1983 |
| 4. | Magnus Enhanced Oil Recovery/Sullom Voe Terminal Gas Sales and Services Agreement (in respect of the Seller's capacity as the Magnus Operator and as a Magnus Owner) | 6 September 2000 |
| 5. | Engineering Services Agreement in relation to Magnus Enhanced Oil Recovery Project (in respect of the Seller's capacity as the Magnus Operator and as a Magnus Owner) | 6 September 2000 |
| 6. | Magnus EOR Project Letter Agreement | 6 September 2000 |
| 7. | Terms for Evacuation of WoS Gas Following Termination of the Gas Sales Agreements | 5 September 2001 |
| 8. | Contract 106532 for the provision of Pig Handling and Cleaning Services | 14 October 2002 |
| 9. | Rig Arrangements: Paul B. Loyd Junior | 4 April 2003 |
| 10. | Space and Services Agreement for Murchison Platform | 31 January 2006 |
| 11. | Magnus/Sullom Voe Terminal Brent and Ninian Gas Sale and Purchase Agreement (in respect of the Seller's capacity as Magnus Operator and as a member of the Buyers' Group) | 19 March 2008 |
| 12. | Services Agreement for Emissions Trading under the EU Scheme (version 2.0) in relation to the Magnus Platform | 17 July 2008 |
| 13. | Amendment Agreement to Magnus/Sullom Voe Terminal Brent and Ninian Gas Sale and Purchase Agreement | 16 April 2009 |
| 14. | Construction and Tie-In Agreement in relation to the Aurora Project (in respect of the Seller's capacity as Magnus Operator | 16 April 2009 |

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| | and as a Magnus Owner) | |
| 15. | Penguins Field Study Agreement | 2 July 2010 |
| 16. | Select Stage Cost Sharing Agreement | 2 November 2011 |
| 17. | Funding Agreement in respect of intervention operation work to lock open the NLGP Spurline on a temporary basis | 24 September 2013 |
| 18. | Flotel Sharing Agreement | 22 April 2014 |
| 19. | Foinaven Gas Common Stream Agreement (in respect of the Seller's capacity as a Buyer) | 9 October 2014 |
| 20. | Cost Share Agreement in respect of the Brent Bypass Project (in respect of the Seller's capacity as Magnus Operator and Magnus Owner) | 15 July 2016 |
| 21. | Supplementary Cost Share Agreement with Quad in respect of the Brent Bypass Project (in respect of the Seller's capacity as Magnus Operator and Magnus Owner) | 15 July 2016 |
| 22. | Supplementary Cost Share Agreement with Clair in respect of the Brent Bypass Project (in respect of the Seller's capacity as Magnus Operator and Magnus Owner) | 15 July 2016 |
| 23. | Bypass Principles Letter Agreement (in respect of the Seller's capacity as Magnus Operator and Magnus Owner) | 15 July 2016 |
| 24. | Letter Agreement re. NLGP TPA Amendment (in respect of the Seller's capacity as Magnus Operator and Magnus Owner) | 15 July 2016 |
| 25. | Letter Agreement re. WOS Brent Bypass Cost Reconciliation Principles (in respect of the Seller's capacity as Magnus Operator and Magnus Owner) | 15 July 2016 |
| 26. | Brent Bypass Agreement (in respect of the Seller's capacity as Magnus Operator and Magnus Owner) | 14 October 2016 |
| 27. | Letter Agreement re WOS/SEGAL Access | 15 July 2016 |
| 28. | Gas Sales Agreement in respect of Britoil Gas | 23 December 2004 |
| 29. | Letter Agreement relating to the Gas Sales Agreement in respect of Britoil Gas dated 23 December 2004 regarding Arrangements in respect of Off- Specification Britoil Gas | 30 January 2013 (effective from 30 December 2011) |
| 30. | Faroe Petroleum (U.K.) Limited Foinaven Gas Sales Agreement | 9 October 2014 |
| 31. | BP Exploration Operating Company Limited Foinaven Gas Sales Agreement | 9 October 2014 |

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| 32. | BP Amoco Exploration (Faroes) Limited Foinaven Gas Sales Agreement | 9 October 2014 |
| 33. | BP Brasil Limitada Foinaven Gas Sales Agreement | 9 October 2014 |
| 34. | BP Exploration (Epsilon) Limited Foinaven Gas Sales Agreement | 9 October 2014 |
| 35. | BP Exploration Indonesia Limited Foinaven Gas Sales Agreement | 9 October 2014 |
| 36. | BP Exploration Libya Limited Foinaven Gas Sales Agreement | 9 October 2014 |
| 37. | Amoco (Fiddich) Limited Foinaven Gas Sales Agreement | 9 October 2014 |
| 38. | Britoil Limited Foinaven Gas Sales Agreement | 9 October 2014 |
| 39. | Marathon Oil West Of Shetlands Limited Foinaven Gas Sales Agreement | 9 October 2014 |
| 40. | Agreement for the Sale and Purchase of Magnus Ethane | 17 December 2015 |
| PROXIMITY AND CROSSING AGREEMENTS | | |
| 41. | Strathspey Pipelines Crossing Agreement | 4 June 1993 |
| 42. | Pipeline Crossing Agreement for the Alwyn Liquids Export Pipeline | September 1997 |
| 43. | Agreement relating to the proximity arrangements in respect of the Clair Oil Pipeline, the Caisson and the Magnus Gas Pipeline | 17 June 2003 |
| 44. | Proximity Agreement in respect of the conduct of survey work in proximity to the Magnus EOR Pipeline | 8 May 2007 |
| 45. | Proximity Agreement in relation to works by the Don Area Group in proximity to the Magnus Platform | 31 May 2007 |
| 46. | Proximity Agreement in respect of the Conduct of Survey Work in Proximity to the Magnus Pipeline | 29 April 2011 |
| 47. | Proximity Agreement in respect of the Conduct of Survey Work in Proximity to the Ninian Central Platform | 19 May 2011 |
| 48. | Proximity Agreement in respect of the conduct of survey work in proximity to the Magnus Pipeline | 27 May 2011 |
| 49. | Pipeline Crossing Agreement in respect of the crossing of the Magnus Pipeline by the Causeway East/Far East Field Lines | 19 January 2012 |
| 50. | Pipeline Crossing Agreement in respect of the crossing of the Magnus to Sullom Voe Gas Pipeline by the Otter to Eider Water Injection Pipeline | 7 August 2013 |

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| 51. | Proximity Agreement in respect of the conduct of onshore work in proximity to the Clair Pipeline | 9 August 2013 |
| 52. | Proximity Agreement in respect of the conduct of work in proximity to the Ninian Central Platform | 3 April 2014 |
| 53. | Proximity Agreement in respect of the conduct of survey work in proximity to the Magnus Pipeline | 15 July 2014 |
| CONFIDENTIALITY AGREEMENTS | | |
| 54. | Confidentiality Agreement | 4 July 2013 |
| 55. | Confidentiality Agreement | 12 September 2013 |
| 56. | Confidentiality Agreement | 8 October 2013 |
| 57. | Confidentiality Agreement | 4 August 2014 |

2. East Of Shetland Pipeline System Interest

| No. | Agreement | Date |
|-------------------------|---|-----------------|
| EOSPS AGREEMENTS | | |
| 1. | Pipeline Crossing Agreement in respect of the crossing of the Magnus EOR 20" East of Shetland Gas Pipeline by the Otter Pipelines, Power Cables and Umbilical | 16 August 2001 |
| 2. | Spares Sharing Agreement | 3 October 2007 |
| 3. | Pipeline Proximity Agreement in respect of the proximity of the EOSPS Pipeline by the Laggan-Tormore Import Production Flowline No.1 | 11 March 2011 |
| 4. | Pipeline Crossing Agreement in respect of the crossing of the EOSPS Pipeline by the Laggan-Tormore Import Production Flowline No.1 at the West 2 Location | 11 March 2011 |
| 5. | Pipeline Proximity Agreement in respect of the proximity of the EOSPS Pipeline by the Laggan-Tormore Import Production Flowline No.2 | 11 March 2011 |
| 6. | Pipeline Crossing Agreement in respect of the crossing of the EOSPS Pipeline by the Laggan-Tormore Import Production Flowline No.2 at the West 2 Location | 11 March 2011 |
| 7. | EOSPS Cross-User Liability Agreement | 1 December 2011 |
| 8. | EOSPS Transportation Agreement for the Transportation of Shipper Gas | 1 December 2011 |

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| 9. | Pipeline Proximity Agreement in respect of the proximity of the EOSPS Pipeline by the Laggan-Tormore 8"/2" Flowline | 2 March 2012 |
| 10. | Pipeline Proximity Agreement in respect of the proximity of the EOSPS Pipeline by the Laggan-Tormore Umbilical Flowline | 2 March 2012 |
| 11. | Pipeline Crossing Agreement in respect of the crossing of the EOSPS Pipeline by the Laggan-Tormore Umbilical Flowline at the West 2 Location | 2 March 2012 |
| 12. | Pipeline Crossing Agreement in respect of the crossing of the EOSPS Pipeline by the Laggan-Tormore 8"/2" Flowline at the West 2 Location | 2 March 2012 |
| 13. | Letter Agreement: Funding of Study Works in respect of the proposed EOSPS to SIRGE crossover within the boundaries of the Sullom Voe Terminal | 17 August 2012 |
| 14. | Confidentiality and IP Agreement | 17 August 2012 |
| 15. | Letter Agreement relating to the funding of study works in respect of the proposed EOSPS to SIRGE crossover within the boundaries of the Sullom Voe Terminal | 14 March 2013 |

Northern Leg Gas Pipeline

| No. | Agreement | Date |
|--|--|--|
| OPERATING AGREEMENTS | | |
| 1. | Northern Leg Gas Pipeline Participants Agreement | 23 December 1981 |
| 2. | Operating Services Agreement supplemental to the Northern Leg Participants Agreement | 15 January 1988 (<i>effective from 31 December 1983</i>) |
| TRANSPORTATION AGREEMENTS | | |
| 3. | Agreement for the Transportation and Processing of Northern Leg Gas/NGL in the FLAG System | 23 December 1981 |
| 4. | Agreement for Admission of Statfjord UK Field to the Northern Leg Gas Pipeline | 22 December 1983 |
| 5. | NLGP Transportation Agreement in respect of the transportation of Operations Gas | 18 December 2015 |
| PROXIMITY AND CROSSING AGREEMENTS | | |
| 6. | Proximity Agreement in respect of the Magnus Pipeline and the NLGP | 16 July 2001 |
| 7. | Pipeline Crossing Agreement in respect of the 20" Northern Leg Gas Pipeline by the 20" East of Shetland Gas Pipeline | 17 July 2001 |

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| 8. | Crossing Agreement in respect of the crossing of the Northern Leg Gas Pipeline by the Brent Charlie to Dunlin Alpha Submarine Power Cable | 3 September 2001 |
| 9. | Proximity Agreement in respect of the Penguin PIP Pipeline, the Penguin Gas Lift Pipeline, the Penguin Control Umbilical and the Northern Leg Gas Pipeline | 20 March 2002 |
| 10. | Pipeline Crossing Agreement in respect of the Penguin PIP Pipeline, the Penguin Gas Lift Pipeline, the Penguin Control Umbilical crossing the Statfjord B Gas Pipeline and the Statfjord Control Umbilical | 22 March 2002 |
| 11. | Proximity Agreement in respect of the conduct of survey work in proximity to the Northern Leg Gas Pipeline | 8 January 2009 |
| 12. | Proximity Agreement in respect of the conduct of survey work in Proximity to the Northern Leg Gas Pipeline | 27 April 2011 |
| 13. | Proximity Agreement in respect of a series of valve testings on the WLGP SSIV in proximity to the NLGP in connection with the Brent Bypass Project | 28 May 2012 |
| 14. | Proximity Agreement in respect of the conduct of an ROV Inspection and Function Test of the Thistle SSIV on the Thistle NLGP | 4 July 2012 |
| 15. | Proximity Agreement in respect of the conduct of an ROV survey in proximity to the Northern Leg Gas Pipeline | 22 November 2012 |
| 16. | Proximity Agreement in respect of the conduct of inspection works in proximity to the Magnus Platform | 20 December 2012 |
| 17. | Proximity Agreement in respect of the conduct of inspection works in proximity to the Murchison Platform | 20 December 2012 |
| 18. | Proximity Agreement in respect of the conduct of inspection works in proximity to the Thistle Platform | 20 December 2012 |
| 19. | Proximity Agreement in respect of the conduct of inspection works in proximity to the Thistle Platform | 27 March 2013 |
| 20. | Pipeline Proximity Agreement in respect of an ROV survey in proximity to the Northern Leg Gas Pipeline | 5 July 2013 |
| 21. | Proximity Agreement in respect of the conduct of inspection works in proximity to the Murchison Platform (<i>ROV survey within 500m zone of Murchison</i>) | 11 July 2013 |
| 22. | Proximity Agreement in respect of the conduct of inspection works in proximity to the Statfjord B Platform | 15 July 2013 |
| 23. | Proximity Agreement in respect of the conduct of subsea caisson recovery works in proximity to the Northern Leg Gas Pipeline | 17 July 2013 |
| 24. | Pipeline Proximity Agreement in respect of inspection maintenance and repair work in proximity to the Northern Leg Gas | 18 July 2013 |

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|-----------------------------------|--|-------------------|
| | Pipeline (wet storage of caisson 43-003 and installation of caisson 43-002 within the Brent Alpha Platform 500m zone) | |
| 25. | Pipeline Proximity Agreement in respect of inspection maintenance and repair work in proximity to the Northern Leg Gas Pipeline (to retrieve caisson 43-003 within the Brent Alpha Platform 500m zone) | 18 July 2013 |
| 26. | Pipeline Proximity Agreement in respect of inspection maintenance and repair work in proximity of the Northern Leg Gas Pipeline (to retrieve caisson 43-004 within the Brent Alpha Platform 500m zone) | 18 July 2013 |
| 27. | Proximity Agreement in respect of the conduct of inspection works in proximity to the Proximate Facilities (PL1902, PL2228 and PLU1903) | 18 July 2013 |
| 28. | Proximity Agreement in respect of the conduct of inspection works in proximity to the Brent Alpha Platform | 18 July 2013 |
| 29. | Proximity Agreement in respect of the conduct of repair and inspection works in proximity to the Northern Leg Gas Pipeline System | 23 September 2013 |
| 30. | Proximity Agreement in respect of the conduct of inspection works in proximity to the Northern Leg Gas Pipeline | 24 February 2014 |
| 31. | Proximity Agreement in respect of the conduct of survey work in proximity to the Northern Leg Gas Pipeline | 15 July 2014 |
| CONFIDENTIALITY AGREEMENTS | | |
| 32. | Confidentiality Agreement | 22 February 2011 |
| 33. | Confidentiality Agreement | 29 November 2013 |
| 34. | Confidentiality Agreement | 16 December 2014 |
| MISCELLANEOUS | | |
| 35. | Agreement for Thistle Import of Fuel Gas from NLGP | 1 July 1991 |
| 36. | Magnus EOR Project Letter Agreement | 6 September 2000 |
| 37. | Letter agreement relating to the funding of planning work in respect of the proposed tie-in of the Dunlin Platform to the Northern Leg Gas Pipeline for the purpose of fuel gas extraction | 12 August 2008 |
| 38. | Contract for Provision of Control Room and Hydrocarbon Accounting Services to the Northern Leg Gas Pipeline | 16 January 2013 |
| 39. | Installation and Access Agreement in relation to pig receiver installation on Brent 'A' | 7 November 2013 |

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|-----|--|-----------------|
| 40. | Funding Agreement in respect of the amendment to the Allocation Services Agreement and the NLNS allocation system and the Statfjord Work | 7 March 2014 |
| 41. | Northern Leg Gas Pipeline and Brent 'A' Platform Pigging Services Agreement | 30 April 2014 |
| 42. | Cost Share Agreement in respect of the Brent Bypass Project (in respect of the Seller's capacity as NLGP Operator and as a NLGP Owner) | 15 July 2016 |
| 43. | Bypass Principles Letter Agreement (in respect of the Seller's capacity as NLGP Operator and as a NLGP Owner) | 15 July 2016 |
| 44. | Letter Agreement re. NLGP TPA Amendment (in respect of the Seller's capacity as NLGP Operator and as a NLGP Owner) | 15 July 2016 |
| 45. | Brent Bypass Agreement (in respect of the Seller's capacity as NLGP Operator and as a NLGP Owner) | 14 October 2016 |
| 46. | Pigging Services Letter Agreement in the BA (in respect of the Seller's capacity as NLGP Operator and as a NLGP Owner) | 14 October 2016 |
| 47. | Sale and Purchase Agreement in respect of part of the Northern Leg Gas Pipeline | 14 October 2016 |

Part C – Seller Retained Agreements

| No. | Agreement | Date |
|--|--|------------------|
| SULLOM VOE TERMINAL OPERATING AGREEMENT | | |
| 1. | Magnus Enhanced Oil Recovery/Sullom Voe Terminal Gas Sales and Services Agreement | 6 September 2000 |
| 2. | Engineering Services Agreement in relation to Magnus Enhanced Oil Recovery Project | 6 September 2000 |
| 3. | Specified Pipe Letter Agreement | 6 September 2000 |
| 4. | Tripartite Agreement in respect of assets relating to the Magnus and East Foinaven Fields together with the West of Shetland Pipeline System, Northern Leg Gas Pipeline System, Ninian Pipeline System and Sullom Voe Terminal together with Letters of Credit including Letters of Credit with references S0126341002 and S0126331002 | 28 November 2003 |
| 5. | Trust Deed relating to the Sullom Voe Terminal Operating Agreement | 18 December 2003 |
| 6. | Trust Deed relating to the Magnus Joint Operating Agreement | 18 December 2003 |
| 7. | Trust Deed relating to the Ninian Pipeline Operating Agreement | 18 December 2003 |
| 8. | Trust Deed relating to the Northern Leg Gas Pipeline Agreement | 18 December 2003 |
| 9. | EOSPS Transportation Agreement for the Transportation of Shipper Gas | 1 December 2011 |
| 10. | MEOR Study Letter Agreement - MEOR Enhancements (Safety) | 9 June 2016 |
| 11. | MEOR Study Letter Agreement - MEOR Enhancements (Expansion) | 9 June 2016 |

EXHIBIT 2
CONSIDERATION ADJUSTMENTS AND PAYMENT MECHANISM

(Paragraph 3)

Part A
Consideration Adjustments

1. DEFINITIONS

1.1 For the purposes of this Exhibit 2 and this Schedule 2:

"Accruals Basis" means that basis of accounting under which costs and benefits are regarded as applicable to the period on which the cost is incurred or the right to the benefit arises, regardless of when invoiced, paid or received

"Actual Adjustment Amount" shall be an amount equal to:

- (a) the Base Consideration Interest;
- (b) plus (if the Pre-Determined Adjustment Amount is a net asset) or minus (if the Pre-Determined Adjustment Amount is a net liability) the Pre-Determined Adjustment Amount;
- (c) plus (if the Pre-Determined Adjustment Amount is a net asset) or minus (if the Pre-Determined Adjustment Amount is a net liability) the Pre-Determined Adjustment Interest;
- (d) plus the Payments/Expenditure Adjustment Amount;
- (e) plus the Payments/Expenditure Adjustment Amount Interest;
- (f) plus the Non-JV Transition Costs Adjustment Amount;
- (g) plus the Non-JV Transition Costs Adjustment Amount Interest;
- (h) minus the Non-Petroleum Receipts Adjustment Amount;
- (i) minus the Non-Petroleum Receipts Adjustment Amount Interest;
- (j) minus the Petroleum Sales Adjustment Amount;
- (k) minus the Petroleum Sales Adjustment Amount Interest;
- (l) minus the Notional PRT Adjustment Amount;
- (m) plus (if the CT Adjustments Amount is determined to be a positive amount) or minus (if the CT Adjustments Amount is determined to be a negative amount) the CT Adjustments Amount

"Base Consideration Interest" means an amount equivalent to interest at the Agreed Interest Rate (calculated on a simple basis on the accumulated daily balances) on the Base Consideration from the Economic Date up to the Calculation Time

"Calculation Time" means 11.59 p.m. on the day immediately prior to the Completion Date

"Cash Basis" means the basis of accounting under which costs and benefits are regarded as attributable to the period in which the related cash is paid or received, or other time-written costs or Petroleum actually transfer, regardless of when liability to the cost is incurred or the right to the benefit arises

"CT Adjustments" has the meaning given to it in article 2.1 of part A of this Exhibit 2

"CT Adjustments Amount" means the aggregate amount of the positive CT Adjustments minus the aggregate amount of the negative CT Adjustments

"Draft Final Completion Statement" has the meaning given to it in article 1, part D of this Exhibit 2

"Insurance Premia" means an amount deemed have been paid by the Seller at the end of each Month during the Interim Period (pro-rated on a daily basis for any part-Month period) equal to three times (3x) the amount that the Buyer actually pays each Month after SPA Completion for the Buyer Insurance

"Interim Period" means the period from and including 00:01 a.m. on the Economic Date up to and including the Calculation Time

"Joint Interest Billings" means the billings issued by an Operator under the Operating Agreements as these relate to the Additional Magnus Interest, Additional NLGP Interest, the Additional SVT Interest, and the Additional NPS Interest

"Magnus Account" means the Seller's accounting books and records for the Additional Magnus Interest where costs, income, assets and liabilities of the Seller relating to the Additional Magnus Interest are recorded, charged or credited (in a manner which is consistent with the accounting procedure in the Magnus Joint Operating Agreement)

"Non-JV Transition Costs Adjustment Amount" means an amount equal to three times (3x) the aggregate amount of each expenditure comprised in the Non-JV Transition Costs Adjustment Amount (as defined in the SPA) agreed, deemed agreed or determined under the SPA

"Non-JV Transition Costs Adjustment Interest" means an amount equivalent to interest at the Agreed Interest Rate (calculated on a simple basis on the accumulated daily balances) on each item of expenditure comprised in the Non-JV Transition Costs Adjustment Amount from and including the date such item of expenditure is paid by the Seller up to the Calculation Time

"Non-Petroleum Receipts Adjustment Amount" means an amount equal to the aggregate sum of all income and other amounts of any kind, including third party tariff and similar income, received by the Seller in respect of the Additional Sale Interests during the Interim Period (on a Cash Basis) plus the amount of any SVT Cost Share Actualisation, if a receivable (on an Accruals Basis) but excluding: (a) any amount received by the Seller that is included in the Petroleum Sales Adjustment Amount; and (b) any amount that relates to a Seller Retained Claim

"Non-Petroleum Receipts Adjustment Amount Interest" means an amount equivalent to interest at the Agreed Interest Rate (calculated on a simple basis on the accumulated daily balances) on each receipt comprised in the Non-Petroleum Receipts Adjustment Amount from and including the date such income is received by the Seller up to the Calculation Time

"Notional CT" means an amount calculated in accordance with the principles of Corporation Tax which will include SCT

"Notional PRT" means an amount calculated in accordance with the principles of PRT

"Notional PRT Adjustment Amount" means the amount calculated in accordance with article 3 of part A of this Exhibit 2

"Objection Notice" has the meaning given to it in article 3, part D of this Exhibit 2

"Payments/Expenditure Adjustment Amount" means an amount equal to the aggregate sum of:

- (a) all expenditure paid in respect of Joint Interest Billings for each Interest by the Seller during the Interim Period (on a Cash Basis); and
- (b) all other expenditure (and all other costs and expenses) in each case incurred or (in the case of Insurance Premia only) deemed incurred in respect of the Additional Sale Interests by the Seller during the Interim Period (on a Cash Basis) in respect of (i) Transportation and Demurrage Costs and (ii) Insurance Premia and which have not been taken into account in part (a) of this definition, less, if applicable, any amounts received by the Seller in or towards settlement of claims under any applicable insurance policies in respect of the Additional Sale Interests where the loss or damage to which they relate was suffered during the Interim Period (as relevant) and would have been recoverable under the Buyer Insurance Terms (and to the extent that such amounts have not been applied by the Seller towards reinstatement),

but excluding: (i) any Retained Expenditure; (ii) any Seller Decommissioning Amounts; and (ii) any Seller Retained Claims

"Payments/Expenditure Adjustment Amount Interest" means an amount equivalent to interest at the Agreed Interest Rate (calculated on a simple basis on the accumulated daily balances) that shall be payable on each item of expenditure comprised in the Payments/Expenditure Adjustment Amount from and including the date such item of expenditure is paid by the Seller up to the Calculation Time

"Petroleum Sales Adjustment Amount" means an amount equal to the aggregate sum of all receipts under or in connection with any contract or arrangements for the sale and/or supply of Petroleum from and in relation to the Additional Sale Interests that, following the Economic Date and in respect of any Petroleum which (being oil or NGL products) is entitled to be lifted or (being Natural Gas) is delivered at any time after the Economic Date, are received by or credited to (or deemed to be received by or credited to) the Seller during the Interim Period (on a Cash Basis). For the purposes of this definition, the price realised for any relevant Petroleum shall be deemed to be as set out in article 5 of part A of this Exhibit 2

"Petroleum Sales Adjustment Amount Interest" means an amount equivalent to interest at the Agreed Interest Rate (calculated on a simple basis on the accumulated daily balances) on each receipt comprised in the Petroleum Sales Adjustment Amount from and including the date such income is received by the Seller up to the Calculation Time

"Pre-Determined Adjustment Interest" means an amount equivalent to interest at the Agreed Interest Rate (calculated on a simple basis on the accumulated daily balances) on the Pre-Determined Adjustment Amount for the Interim Period

"Pre-Determined Adjustment Amount" means an amount equal to three times (3x) the amount of the Working Capital Adjustment Amount (as such term is defined in the SPA) agreed, deemed agreed or determined under the SPA (whether it was a net asset or a net liability)

"Review Period" has the meaning given to it in article 3, part D of this Exhibit 2

"Seller Decommissioning Amounts" means any amounts for which the Seller is liable in respect of Decommissioning pursuant to Paragraph 11

"SVT Cost Share Actualisation" means the cost share adjustment attributable to the Additional SVT Interest calculated annually by the Operator of SVT pursuant to the SVTOA

"Transportation and Demurrage Costs" means the costs of transportation and demurrage relating to Petroleum that are incurred prior to the time at which such Petroleum either:

- (a) in the case of crude oil only, is lifted from SVT; or
- (b) in the case of any Petroleum (including crude oil if occurring prior to the lifting referred to in (a)), ceases to be owned by the Seller,

excluding any such costs that are separately accounted for in any sales receipts received by the Seller

"VAT Payable" means VAT due to HMRC in respect of the Additional Sale Interests but not paid by the Seller as at the Economic Date

Currency conversion

- 1.2 Any amounts comprising the Non-Petroleum Receipts Adjustment Amount, the Petroleum Sales Adjustment Amount and the Payments/Expenditure Adjustments Amount shall, on the date such amounts are either received or paid by the Seller, and if not already so denominated, be converted into US Dollars at the applicable Conversion Rate.

2. CT ADJUSTMENTS

- 2.1 The Parties recognise that adjustments to the Base Consideration under this article 2 of part A of this Exhibit 2 (the **"CT Adjustments"**) are notional adjustments, as opposed to actual payments of, reliefs from or reductions in CT liabilities. For the purpose of calculating these notional adjustments it shall be assumed that the Seller and the Buyer are single companies with no brought forward losses who are paying CT at both the standard rate for ring fence trades and supplementary charge applicable for the period concerned.
- 2.2 Each of the Seller and the Buyer undertakes to provide written advice to the other of any event giving rise to any CT Adjustment within thirty (30) days of becoming aware of such an event. This advice will include a copy of such documentary evidence as is reasonably deemed to be necessary by the receiving Party to verify the adjustment.
- 2.3 The Seller and the Buyer shall each submit their respective CT return for the accounting period in which Completion takes place on the basis that the Seller is liable to CT on the income generated by the Additional Sale Interests up to the Completion Date and the Buyer is liable to CT on the income generated by the Additional Sale Interests after the Completion Date.
- 2.4 Positive amounts shall be computed by applying Notional CT to:
 - 2.4.1 any receipts taken into account for the purposes of the Petroleum Sales Adjustment Amount; and
 - 2.4.2 any income or other receipts taken into account for the purposes of the Non-Petroleum Receipts Adjustment Amount,in each case to the extent the relevant receipt, income or amount is subject to (or deductible for the purposes of) CT.
- 2.5 Negative amounts shall be computed by applying Notional CT to any amounts taken into account for the purposes of the Payments/Expenditure Adjustment Amount (to the extent such amounts are subject to (or deductible for the purposes of) CT). The Notional CT in this article

shall be calculated on a Cash Basis with reference to the Payments/Expenditure Adjustment Amount and then adjusting for the movements in the working capital balances related to that Payments/Expenditure Adjustment Amount during the Interim Period.

3. PRT ADJUSTMENTS

3.1 The Notional PRT Adjustment Amount shall be computed by applying Notional PRT to:

- 3.1.1 any receipts taken into account for the purposes of the Petroleum Sales Adjustment Amount;
- 3.1.2 plus any income or other receipts taken into account for the purposes of the Non-Petroleum Receipts Adjustment Amount; and
- 3.1.3 minus any amounts taken into account for the purposes of the Payments/Expenditure Adjustment Amount,

in each case to the extent the relevant receipt, income or amount is subject to (or deductible for the purposes of) PRT.

3.2 The application of Notional PRT to any amount determined by articles 3.1.1 to 3.1.3 (inclusive) above (the "**Determined Amount**") shall, where the Determined Amount is a negative number, assume that the Determined Amount can be carried back and set against profits subject to PRT in any previous accounting in the same manner as set out in section 7(2) of the Oil Taxation Act 1975.

3.3 The Notional PRT in article 3.1 shall be calculated on a Cash Basis with reference to the Payments/Expenditure Adjustment Amount and then adjusting for the movements in the working capital balances related to that Payments/Expenditure Adjustment Amount during the Interim Period.

4. PRICE REALISATION FOR ANY RELEVANT PETROLEUM

4.1 The price applicable to any sale of crude oil shall be taken to be the arithmetic average of the market value for Brent blend as calculated in accordance with Statutory Instrument 2006/3313 for Category 1 Crude applicable to the Month of sale;

4.2 The price applicable to any sale of NGL shall be:

- 4.2.1 for propane, the Argus North Sea LPG Index (ANSI) for Propane as published in the Argus International LPG Report under International Comparisons on the last Business Day of the Month prior to the Month of sale;
- 4.2.2 for butane, the Argus North Sea LPG Index (ANSI) for Butane as published in the Argus International LPG Report under International Comparisons on the last Business Day of the Month prior to the Month of sale; and
- 4.2.3 for condensate, the mean of the high and low quotations for the Month of sale for naphtha physical under the heading Naphtha CIF NEW ARA as published in Platts European Marketscan minus US\$12 per metric tonne; and
- 4.2.4 for ethane, ("*P*") shall be calculated as follows:

$$P = H - N$$

Where:

H is the Monthly Heren Index; and

N are the NTS Entry Charges

- 4.3 The price applicable to any sale of Natural Gas ("A") in respect of a Day shall be calculated as follows:

$$A = (DQ \times NGCP) - R$$

where:

DQ is the Delivered Quantity;

NGCP is the Natural Gas Contract Price; and

R are the Relevant Deductions; and

- 4.4 For the purposes of this article 4:

"Argus D-1 Bid" means, in respect of a Day that is a Business Day, the day ahead bid price for Natural Gas at the NBP for that Day in pence per Therm and in respect of a Day that is not a Business Day, the weekend bid price for Natural Gas at the NBP for that Day in pence per Therm as published, in each case, by Argus Media Limited on the Business Day immediately preceding the relevant Day

"Day" means a period commencing at 06:00 hours on a day and ending at 06:00 hours on the following day

"Delivered Quantity" means, in respect of a Day, the aggregate quantity of the Natural Gas produced by the Additional Magnus Interest and delivered by or on behalf of the Seller to the Delivery Point on that Day. Such quantity is to be calculated by the Seller and finally agreed in accordance with part D of this Exhibit 2

"Delivery Point" means the last flange, weld or mark on any of the pipelines delivering Natural Gas from any of the St. Fergus Natural Gas sub-terminals to the NTS

"Entry Capacity Price Allowance" means:

- (a) during the period starting on the Economic Date and ending on the SPA Completion Date, any and all amounts paid by the Seller to BP Gas Marketing Limited ("**BPGM**") in order to reimburse BPGM for any NTS Entry Capacity Charges paid to the TSO in relation to any Delivered Quantity; and
- (b) during the period starting on the day following the SPA Completion Date, any and all amounts for any NTS Entry Capacity Charges paid by the Buyer to the TSO in relation to any Delivered Quantity (as defined in the SPA) and grossed up by three times (3x) the amount to reflect the Delivered Quantity (as defined in this Deed)

"Excess Cashout" means, where the Delivered Quantity is in excess of the PNQ, the greater of:

- (a) the value of the Excess Gas multiplied by the Excess Natural Gas Contract Price; and
- (b) zero (0)

"Excess Gas" means the difference between the Delivered Quantity and the PNQ

"Excess Natural Gas Contract Price" means the Natural Gas Contract Price minus the System Marginal Sell Price

"Heren D-1 Bid" means, in respect of a Day that is a Business Day, the day ahead bid price for Natural Gas at the NBP for that Day in pence per Therm and in respect of a Day that is not a

Business Day, the weekend bid price for Natural Gas at the NBP for that Day in pence per Therm as published, in each case, by ICIS Heren Ltd. in "Heren European Spot Gas Markets" on the Business Day immediately preceding the relevant Day

"Joule" shall have the meaning set out in ISO 1000 - 1992 (E)

"Megajoule" means one million (1,000,000) Joules

"**Monthly Heren Index**" means the Heren Monthly Index for gas at the NBP for the relevant Month in pence per Therm in the table 'Heren Monthly Indices' published by ICIS Heren Ltd. In "Heren European Spot Gas Markets"

"**Natural Gas Contract Price**" means the average of Heren D-1 Bid and Argus D-1 Bid

"**NBP**" means the National Balancing Point in the National Transmission System or "**NTS**"

"**NTS Entry Commodity Charges**" means any and all charges charged by the TSO to the Seller (or an Affiliate of the Seller) in respect of the NTS SO Commodity Charge and the NTS TO Entry Commodity Charge (each as defined in the UNC TPD – Section Y) and relating to the Delivered Quantity

"**NTS Entry Capacity Charges**" has the meaning given to it in the UNC TPD – Section Y

"**NTS Entry Charges**" means the sum of the NTS Entry Capacity Charges and the NTS Entry Commodity Charges as calculated by the Seller (or, following the SPA Completion Date, the Buyer) (and finally agreed in accordance with part D of this Exhibit 2), converted into pence per Therm and rounded to six (6) decimal places

"**PNQ**" or "**Processed Nomination Quantity**" means the quantity of Natural Gas derived from the nomination that is made to the TSO no later than 15:00 hours on the Business Day before the Day of delivery

"**Relevant Deductions**" means the total value, per Therm, of any of the:

- (a) NTS Entry Commodity Charges;
- (b) Scheduling Charges;
- (c) Excess Cashout or Shortfall Cashout (as relevant);
- (d) Entry Capacity Price Allowance; and
- (e) Service Level Fee

"**Scheduling Charges**" has the meaning given to it in the UNC TPD – Section F

"**Service Level Fee**" means zero point two three pence (£0.23) per Therm

"**Shortfall Cashout**" means, where the Delivered Quantity is less than the PNQ, the greater of:

- (a) the value of the Shortfall Gas multiplied by the Shortfall Natural Gas Contract Price; and
- (b) zero (0)

"**Shortfall Gas**" means the difference between the PNQ and the Delivered Quantity

"**Shortfall Natural Gas Contract Price**" means the System Marginal Buy Price minus the Natural Gas Contract Price

"**System Marginal Buy Price**" has the meaning given to it in the UNC TPD – Section F

"**System Marginal Sell Price**" has the meaning given to it in the UNC TPD – Section F

"Therm" means one hundred and five decimal five zero five six (105.5056) Megajoules

"TSO" means the Transmission System Operator from time to time, which at the date of this Deed, is National Grid

"UNC TPD" means the Uniform Network Code Transmission Principal Document

Part B
Completion Payment Statement

The Completion Payment Statement shall be substantially in the form set out below:

| | |
|-------------------------------|-----------------------|
| Base Consideration | US\$300,000,000 |
| Provisional Adjustment Amount | [+ / -]US\$[●] |
| Completion Payment | [+ / -]US\$[●] |

Part C
Final Completion Statement

The Final Completion Statement shall be substantially in the form set out below:

| Item | Sub-item | Amount (US\$) |
|--|----------|---------------|
| Part A: Actual Adjustment Amount | | |
| Base Consideration Interest | | [•] |
| Pre-Determined Adjustment Amount | | [•] |
| Pre-Determined Adjustment Interest | | [•] |
| Payments/Expenditure Adjustment Amount | | [•] |
| Payments/Expenditure Adjustment Amount Interest | | [•] |
| Non-JV Transition Costs Adjustment Amount | | [•] |
| Non-JV Transition Costs Adjustment Amount Interest | | [•] |
| Non-Petroleum Receipts Adjustment Amount | | [•] |
| Non-Petroleum Receipts Adjustment Amount Interest | | [•] |
| Petroleum Sales Adjustment Amount | | [•] |
| Petroleum Sales Adjustment Amount Interest | | [•] |
| Notional PRT Adjustment Amount | | [•] |
| CT Adjustments Amount | | [•] |
| Actual Adjustment Amount | | [•] |
| Provisional Adjustment Amount | | [•] |
| Part B: Completion Consideration | | |
| Base Consideration | | [•] |
| Actual Adjustment Amount | | [•] |
| Completion Consideration | | [•] |

Part D
Final Completion Statement

Preparation of the Draft Final Completion Statement

1. As soon as reasonably practicable, and in any event no later than ninety (90) days following Completion (not including the Completion Date), the Seller shall provide the Buyer with a draft of the Final Completion Statement (the "**Draft Final Completion Statement**"), together with reasonable supporting evidence of the Seller's calculations.
2. The Draft Final Completion Statement shall be presented in the form set out in part C of this Exhibit 2 and shall be prepared in accordance with the following:
 - (a) except for the Pre-Determined Adjustment Amount which shall be taken directly from the SPA, the accounting principles, policies, estimation techniques, methodologies, treatments, practices and categorisations which were applied by: (i) in respect of the Additional Magnus Interest, the Seller (in a manner which is consistent with the accounting procedure in the Magnus Joint Operating Agreement); and (ii) in respect of the Additional NLGP Interest, the Additional NPS Interest or the Additional SVT Interest, the Operator in respect of these Additional Sale Interests on the Economic Date;
 - (b) any amounts not already expressed in US Dollars shall be converted from the relevant currency into US Dollars at the Conversion Rate on the date on which the relevant such item was paid or received; and
 - (c) unless stated to the contrary in part A of this Exhibit 2, all calculations shall be made on an Cash Basis in accordance with accounting principles generally accepted in the oil and gas industry in the United Kingdom at the date of this Deed and such principles shall be consistently applied for the purposes of any and all disputes between the Parties.
3. The Draft Final Completion Statement shall be deemed to have been accepted by the Parties as the Final Completion Statement as at the expiry of a period of sixty (60) days after receipt of the Draft Final Completion Statement by the Buyer (the "**Review Period**") unless, prior to the expiry of the Review Period, the Buyer delivers to the Seller notice that the Draft Final Completion Statement is not agreed (an "**Objection Notice**") specifying: (i) the item or items disputed; (ii) a summary of its reasons for disputing such item(s); and (iii) a restatement of the Draft Final Completion Statement showing how, in the Buyer's opinion, it should be adjusted for the item(s) disputed. Any item(s) (or any part thereof) forming part of Pre-Determined Adjustment Amount shall not be the subject of any dispute. Except for the disputed item(s) specified in the Objection Notice, the Buyer shall be deemed to have agreed all other item(s) in the Draft Final Completion Statement.
4. If:
 - (a) the Buyer and the Seller resolve (by agreement in writing) the matters raised in the Objection Notice in the thirty (30) days following receipt of the Objection Notice (not including the date of receipt) by the Seller, the Draft Final Completion Statement (adjusted, if applicable, as agreed by the Buyer and the Seller) will be deemed to have been accepted by the Parties as the Final Completion Statement;
 - (b) the Seller and the Buyer are unable to reach an agreement on any disputed item or items within thirty (30) Business Days of the Objection Notice being received by the

Seller, the Seller or the Buyer may notify the other in writing (the “**Expert Determination Notice**”) that the dispute concerning such item(s) of the Objection Notice as remains in dispute (“**Disputed Matters**”) shall be referred for resolution, pursuant to this article and articles 5 to 15 (inclusive), by a member or partner of an independent internationally recognised firm of chartered accountants (the “**Independent Accountant**”), to be appointed (in default of nomination by agreement between the Seller and the Buyer within ten (10) Business Days of the date of receipt of the Expert Determination Notice by the non-serving Party) by the President for the time being of the Institute of Chartered Accountants of England and Wales. The Independent Accountant shall have at least ten (10) years of experience of valuing international oil and gas assets at one or more internationally recognised accounting firms. The Independent Accountant shall act as an expert, and not as an arbitrator, in making his/her determination (the “**Expert Determination**”) and Clauses 6.25 and 6.26 shall not apply to any dispute that arises in relation to the Draft Final Completion Statement. Neither the Arbitration Act 1996 nor any earlier or later enactments on arbitration shall apply.

5. Within ten (10) Business Days of the Independent Accountant confirming in writing his or her appointment to act as expert, the Buyer and the Seller shall:
 - (a) enter into an appropriate form of appointment of the Independent Accountant as soon as reasonably practicable (and in any event within ten (10) Business Days following such confirmation) acting reasonably in agreeing the terms and conditions of such appointment, including in respect of fees and any exclusions and limitations of liability where it can be reasonably demonstrated that such terms and conditions reflect market standard provisions for such appointments. In the event of any failure to agree such terms and conditions within such ten (10) Business Day period, the Seller shall be entitled to appoint the Independent Accountant on behalf of both the Buyer and the Seller and to agree such terms and conditions (to reflect customary provisions for such appointments where possible) with the Independent Accountant as it shall determine, provided that such terms and conditions do not conflict with the provisions of this part D of Exhibit 2; and
 - (b) each prepare and deliver to the Independent Accountant (with a copy to the other Party): (i) its written statement addressing the Disputed Matters; and (ii) any documents that Party relies upon in support of its position.
6. Except to the extent the Seller and Buyer may agree otherwise, the Independent Accountant shall determine his/her own procedure, provided that the Seller and the Buyer shall procure that the Independent Accountant’s procedure shall:
 - (a) provide for the Buyer and the Seller to make written representations to the Independent Accountant;
 - (b) provide that there shall be no unilateral communications between the Independent Accountant and either the Seller or the Buyer at any time during the Expert Determination;
 - (c) require that the Buyer and Seller provide each other with a copy of any written communications they send to the Independent Accountant;
 - (d) provide that the Independent Accountant, in resolving any disputed item in the Draft Final Completion Statement, does not assign a value to that item that is: (i) greater

- than the highest value either the Seller or the Buyer claims is payable in relation to the item in question; or (ii) less than the lowest value either the Seller or the Buyer claims is payable in relation to the item in question;
- (e) provide that the Independent Accountant shall keep all information and documents provided to him/her pursuant to the dispute confidential and shall not use the same for any purpose other than the Expert Determination; and
 - (f) provide that the costs of the Independent Accountant shall be apportioned between the Parties as the Independent Accountant shall decide (and if the Independent Accountant declines to make a decision on this point the Seller and the Buyer shall each pay half) but each Party shall be responsible for its own costs (including the costs and expenses of any other advisers, contractors or agents used by them, respectively) of presenting its case to the Independent Accountant.
7. The Seller and the Buyer shall cooperate with each other in order to:
- (a) assist the Independent Accountant to determine his or her procedure in accordance with article 5 of this part D of Exhibit 2 (and the Seller and the Buyer shall provide such reasonable assistance to the Independent Accountant as the Independent Accountant may require in order to determine such procedure); and
 - (b) agree reasonable terms of engagement of the Independent Accountant.
8. The Seller and the Buyer shall each:
- (a) make available to the Independent Accountant and to each other materially relevant documents relating to the Additional Sale Interests as are reasonably requested by the Independent Accountant for the purposes of the Expert Determination and shall permit the Independent Accountant and each other to take copies of such documentation; and
 - (b) provide the Independent Accountant and each other with reasonable access to relevant personnel of the Seller's Group or the Buyer's Group (as applicable) who have knowledge of the Disputed Matters, as reasonably requested by the Independent Accountant for the purposes of the Expert Determination.
9. A Party is not required to comply with article 8 of this part D of Exhibit 2 to the extent that to do so would place that Party in breach of an obligation of confidentiality owed by it to a third-party or would cause that Party to lose any benefit of legal professional privilege.
10. In making the Expert Determination, the Independent Accountant shall determine, in respect of the Disputed Matters, only:
- (a) whether such disputed item in the Draft Final Completion Statement is required to be adjusted; and
 - (b) if such an adjustment is required, the amount of such adjustment.
11. The Independent Accountant shall not have the jurisdiction:
- (a) to award any form of damages, order specific performance or grant any interim, injunctive or equitable relief; or
 - (b) to modify or amend any provisions of this Deed.
12. The Independent Accountant, on his/her own initiative or at the written request of the Buyer or the Seller, may correct any mathematical or typographical errors in the decision, provided any

correction is made within fourteen (14) Business Days of the written decision having been received by the Buyer and the Seller.

13. Subject to article 15 of this part D of Exhibit 2, the Draft Final Completion Statement, as adjusted (if necessary) to reflect the Independent Accountant's final and binding decision, will be deemed to have been accepted by the Parties as the Final Completion Statement.
14. The Buyer and the Seller agree that subject to article 15 of this part D of Exhibit 2, any decision of the Independent Accountant made in accordance with articles 4 to 15 of this part D of Exhibit 2:
 - (a) shall be conclusive, final and binding on the Parties; and
 - (b) may, where permitted and following the expiry of the twenty one (21) Business Days period provided for in article 15 of this part D of Exhibit 2, be filed in any court of competent authority and enforced as a final judgment.
15. The Buyer and the Seller may only challenge the Independent Accountant's Expert Determination decision:
 - (a) for manifest error or fraud on the part of the Independent Accountant;
 - (b) for failure by the Independent Accountant to disclose any relevant interest or duty that could materially prejudice the Expert Determination or materially conflict with the Independent Accountant functioning as expert; or
 - (c) for the Independent Accountant having decided a matter that was not either expressly within the jurisdiction of the Independent Accountant pursuant to articles 3 to 15 of this part D of Exhibit 2 (inclusive), or otherwise agreed to be within the jurisdiction of the Independent Accountant in writing by the Seller and the Buyer.

Any challenge of the Independent Accountant's Expert Determination decision must be made within twenty one (21) Business Days of the Buyer and the Seller receiving the Independent Accountant's written Expert Determination decision and Clauses 6.25 and 6.26 shall apply to challenges to the Independent Accountant's Expert Determination decision.

16. All matters concerning the process and result of the determination by the Independent Accountant shall be kept confidential among the Parties and the Independent Accountant.

Part E
Balancing Amount

1. Once the Final Completion Statement has been agreed, deemed agreed or determined in accordance with part D of Exhibit 2, if:
 - (a) the Completion Payment was a negative amount (and accordingly was paid by the Seller to the Buyer at Completion) and:
 - (i) the Completion Consideration is greater than the Completion Payment (both expressed as negative numbers), the Seller shall pay to the Buyer the amount of such excess;
 - (ii) the Completion Consideration is less than the Completion Payment (but is still expressed as a negative number), the Buyer shall pay to the Seller an amount equal to the Completion Consideration minus the Completion Payment (expressed as a negative);
 - (iii) the Completion Consideration is a positive number, the Buyer shall pay to the Seller an amount equal to the Completion Consideration minus the Completion Payment (expressed as a negative); or
 - (iv) the Completion Consideration is equal to the Completion Payment, neither the Seller nor the Buyer shall be required to make any payment to the other Party; and
 - (b) the Completion Payment was a positive amount (and accordingly was paid by the Buyer to the Seller at Completion by way of a drawdown under the Vendor Loan Facility Agreement or otherwise) and:
 - (i) the Completion Consideration is greater than the Completion Payment, the Buyer shall pay to the Seller an amount equal to the Completion Consideration minus the Completion Payment;
 - (ii) the Completion Consideration is less than the Completion Payment, the Seller shall pay to the Buyer an amount equal to the Completion Payment minus the Completion Consideration; or
 - (iii) if the Completion Consideration is equal to the Completion Payment, neither the Seller nor the Buyer shall be required to make any payment to the other Party,

(the relevant payment under 1(a)(i)-(iii) or (b)(i)-(ii) above being the "**Balancing Payment**").
2. Payment of the Balancing Payment (if any) shall be made by the relevant Party within ten (10) Business Days after the date upon which the Final Completion Statement (or relevant items thereof) have been agreed, deemed agreed or determined in accordance with articles 1 to 3 (inclusive), together with an amount equal to interest at the Agreed Interest Rate (calculated on a simple basis on the accumulated daily balances) on any such Balancing Payment from (but excluding) the Completion Date until (but excluding) the date of payment. Subject to the terms of the Vendor Loan Facility Agreement and the Security Trust and Waterfall Deed, the Buyer's obligation to pay the Balancing Payment may be satisfied by a drawdown under the Vendor Loan Facility Agreement and payment of the same to the Seller.

3. The Seller and the Buyer agree that the amounts set out in this Exhibit 2, part E are adjustments to elements of the Total Consideration and not actual interest on any debt between the Seller and the Buyer, and agree to submit their Corporation Tax returns on that basis.

Part F
Allocation of Completion Consideration

| | (i) Plant & Machinery relating to the Additional Sale Interests (US\$) | (ii) Mineral Exploration & Access relating to the Additional Sale Interests (US\$) | (iii) Balance of Additional Sale Interests including Licence (if relevant) (US\$) | (iv) Total (US\$) |
|-------------------------------|--|--|--|----------------------|
| Additional Magnus Interest | 3 | 3 | 299,999,985 | 299,999,991 |
| Additional SVT Interest | 3 | 0 | 0 | 3 |
| Additional NLGP Interest | 3 | 0 | 0 | 3 |
| Additional NPS Interest | 3 | 0 | 0 | 3 |
| Total US\$ | 12 | 3 | 299,999,985 | 300,000,000 |

Subject to articles 6 and 10 of Exhibit 8, each of the following shall be allocated for tax purposes to the balance of Additional Sale Interests including Licence attributed to the Additional Magnus Interest in column (iii) of the above table:

- (a) the Completion Consideration (as adjusted);
- (b) the value of the Buyer agreeing to enter into the Net Cashflow Share Deed in accordance with paragraph 3.1.4;
- (c) any Positive Additional Consideration Amount;
- (d) any Negative Additional Consideration Amount (which shall reduce the relevant amount);
- (e) any amount that becomes payable pursuant to a Buyer Claim (however satisfied by the Seller); and
- (f) any amount paid under article 27 of Exhibit 8.

Part G
Additional Consideration Amounts

1. DEFINITIONS

1.1 For the purposes of this part G of Exhibit 2:

"Buyer 75% Return Amount" means the aggregate amount received by the Buyer from time to time as a result of the application of clauses 3.2.7 and 3.3.6 of the Net Cashflow Share Deed

"Buyer Decommissioning Payment" means any payment made by the Buyer pursuant to Paragraph 11.2 in respect of any Other Property and any amounts comprising the same shall, if not already so denominated, be converted into US Dollars at the applicable Conversion Rate on the date of payment

"Magnus COP Date" has the meaning given to it in the Magnus Joint Operating Agreement

"NACA Trigger Date" has the meaning given to it in article 3.1 of this part G of Exhibit 2

"Negative Additional Consideration Amount" means an amount in US Dollars equal to fifty per cent. (50%) of the amount equal to:

- (a) the amount of the relevant Buyer Decommissioning Payment; less
- (b) an amount equal to the notional Tax Relief that may be claimed by the Buyer in respect of such Buyer Decommissioning Payment (calculated at the rates of relief prevailing at the time such Buyer Decommissioning Payment is made or if greater any payments to which the Buyer would be entitled pursuant to a decommissioning relief agreement as defined in section 80(2) Finance Act 2013 in respect of the Buyer Decommissioning Payment (but in respect of the first £X of such Buyer Decommissioning Payment (where X is the amount of the Buyer's PRT profit that was subject to the 0% PRT rate in force from 1 January 2016) the PRT rate to be used in calculating the notional Tax Relief shall be 0%)))

"Net Cashflow Cap" means the total Buyer 75% Return Amount retained by the Buyer in the period from the Completion Date until the relevant PACA Trigger Date, minus (i) the aggregate amount of any Accumulated Interests Costs Amount (as defined in the Net Cashflow Share Deed) outstanding at the relevant PACA Trigger Date; and (ii) any Positive Consideration Reimbursement Amount (as defined in the Net Cashflow Share Deed) outstanding at the relevant PACA Trigger Date, provided that if the Buyer has not retained any Buyer 75% Return Amounts or if such calculation results in a negative number, the Net Cashflow Cap shall be deemed to be zero Dollars (US\$0)

"PACA Trigger Date" has the meaning given to it in article 2.1 of this part G of Exhibit 2

"Positive Additional Consideration Amount" means an amount in US Dollars equal to thirty per cent. (30%) of the amount equal to:

- (a) the amount of the relevant Seller Decommissioning Payment; less
- (b) an amount equal to the notional Tax Relief that may be claimed by the Seller in respect of such Seller Decommissioning Payment (calculated at the rates of relief prevailing at the time such Seller Decommissioning Payment is made or if greater any payments to which the Seller would be entitled pursuant to a decommissioning relief agreement as defined in section 80(2) Finance Act 2013 in respect of the Seller Decommissioning Payment (but in respect of the first £X of such Seller

Decommissioning Payment (where X is the amount of the Seller's pre-Completion PRT profit that was subject to the 0% PRT rate in force from 1 January 2016) the PRT rate to be used in calculating the notional Tax Relief shall be 0%))

"Seller Decommissioning Payment" means any payment made by the Seller to or on behalf of the Buyer pursuant to Paragraph 11.1 in respect of the Existing Property (excluding all or part of such payment to the extent it relates to the Seller P&A Wells, the SVT Tanks, the MEOR Facilities and the Magnus Phase 3 Property), and any amounts comprising the same shall, if not already so denominated, be converted into US Dollars at the applicable Conversion Rate on the date of payment

"Seller NACA Cap" means the aggregate of any amounts paid to the Seller pursuant to clauses 3.2.7 and 3.3.6 of the Net Cashflow Share Deed in the period from the Completion Date until the relevant NACA Trigger Date, provided that if the Seller has not retained such amounts, the Seller NACA Cap shall be deemed to be zero Dollars (US\$0)

2. PAYMENT OF POSITIVE ADDITIONAL CONSIDERATION AMOUNTS

- 2.1 Subject to article 2.2 below, within thirty (30) Business Days of the date on which either: (i) the Buyer receives evidence of a Seller Decommissioning Payment (in the event that the Seller makes a Seller Decommissioning Payment to the relevant Operator); or (ii) any Seller Decommissioning Payment is received by the Buyer (in the event that the Seller makes a Seller Decommissioning Payment to the Buyer), (in either case referred to as the **"PACA Trigger Date"**) the Buyer shall make payment of the corresponding Positive Additional Consideration Amount to the Seller.
- 2.2 The Buyer shall not be liable to make payment of a Positive Additional Consideration Amount to the Seller if Completion has not occurred pursuant to Paragraph 6 of this Schedule 2. Following Completion, the Buyer shall not be liable to make a payment of any Positive Additional Consideration Amount to the Seller on a PACA Trigger Date, to the extent that:
- 2.2.1 on the relevant PACA Trigger Date, part or all of such payment, when aggregated with any previous Positive Additional Consideration Amount(s) paid by the Buyer to the Seller, would exceed the Net Cashflow Cap on the relevant PACA Trigger Date. If this paragraph 2.2.1 applies, the Buyer shall notify the Seller accordingly, and shall provide all reasonable evidence to the Seller in support of its calculation of the Net Cashflow Cap;
 - 2.2.2 the Seller has received an NPS Withdrawal Amount in respect of Decommissioning Liabilities of Existing Property forming part of the Additional NPS Interest, and the relevant Seller Decommissioning Payment relates to those liabilities;
 - 2.2.3 the Seller has received an SVT Withdrawal Amount in respect of Decommissioning Liabilities of Existing Property forming part of the Additional SVT Interest, and the relevant Seller Decommissioning Payment relates to those liabilities; or
 - 2.2.4 the Seller Decommissioning Payment relates to a liability for the Decommissioning of the Existing Property or any part thereof in respect of which the Buyer has received payment from a Relevant Third Party and has paid such amount to the Seller in accordance with Clause 7.6.
- 2.3 The Parties agree that no part of any Positive Additional Consideration Amount is or shall be treated as a direct or indirect reimbursement of any Decommissioning Liabilities borne by the Seller under Paragraph 11.1.

- 2.4 The Parties acknowledge that, because the Buyer is required to make payments of Positive Additional Consideration Amounts as and when the Seller makes a Seller Decommissioning Payment in accordance with article 2.1 (and prior to the final Net Cashflow Cap being ascertained in relation to the Additional Sale Interests), the Buyer may end up paying to the Seller a Positive Additional Consideration Amount which it would not have had to if the final Net Cashflow Cap had been finally ascertained. To address this, within forty (40) Business Days of the final PACA Trigger Date, the Parties shall calculate the Net Cashflow Cap as at such date and if the aggregate amount of Positive Additional Consideration Amounts paid by the Buyer at such date exceeds the Net Cashflow Cap as at such date, the Seller shall within twenty (20) Business Days of the date of calculation pay to the Buyer an amount equal to such excess.

3. PAYMENT OF NEGATIVE ADDITIONAL CONSIDERATION AMOUNTS

- 3.1 Subject to article 3.3 below, within thirty (30) Business Days of the date on which the Seller receives evidence of a Buyer Decommissioning Payment (the "**NACA Trigger Date**") the Seller shall make payment of the corresponding Negative Additional Consideration Amount to the Buyer.
- 3.2 The evidence required pursuant to article 3.1 above in relation to a Buyer Decommissioning Payment shall include (to the extent that the Buyer has access to such information and is not prevented from providing the following under applicable law or contractual arrangements to which the Buyer is party, having used all reasonable endeavours to get access and/or obtain the relevant consents or otherwise properly provide):
- 3.2.1 a copy of the underlying invoice issued by the operator, third party contractor or Secretary (as relevant); and
 - 3.2.2 reasonable supporting evidence that such invoice relates to Decommissioning Liabilities arising in respect of any Other Property, and if such invoice is only partly related to such Other Property, confirmation that the Payment only relates to that part of the invoice.
- 3.3 The Seller shall not be liable to make payment of an Negative Additional Consideration Amount to the Buyer on a NACA Trigger Date, to the extent that:
- 3.3.1 Completion has not occurred pursuant to Paragraph 6 of this Schedule 2;
 - 3.3.2 at the time the Security Release Date (as defined in the Security Trust and Waterfall Deed) has not yet occurred and there is the occurrence of a Declared Event of Default that is continuing or enforcement of any relevant Security has occurred (as such terms are defined in the Security Trust and Waterfall Deed); or
 - 3.3.3 part or all of such payment, when aggregated with any previous Negative Additional Consideration Amount(s) paid by the Seller to the Buyer, would exceed the Seller NACA Cap on the relevant NACA Trigger Date. If this paragraph 3.3.3 applies, the Seller shall notify the Buyer accordingly, and shall provide all reasonable evidence to the Buyer in support of its calculation of the Seller NACA Cap.
- 3.4 The Parties agree that no part of any Negative Additional Consideration Amount is or shall be treated as a direct or indirect reimbursement of any Decommissioning Liabilities borne by the Buyer in relation to any Other Property.

EXHIBIT 3
PERIOD BETWEEN SIGNING AND COMPLETION

(Paragraph 5)

1. SELLER'S UNDERTAKINGS IN RESPECT OF THE PERIOD BETWEEN SIGNING AND COMPLETION

1.1 During the period from the Call Option Notice Date up to and including the Completion Date the Seller shall (to the extent it is permitted to do so under the Additional Sale Interests Documents and subject to any confidentiality obligations by which it is bound or legal privilege, and (if applicable) to the relevant provisions of the Magnus Joint Operating Agreement and the terms of schedule 3 to the SPA) in relation to the Additional Sale Interests:

- 1.1.1 carry on its affairs in relation to the Additional Sale Interests in the ordinary course of business and in accordance with good oil and gas field practice with the intention of protecting and maintaining the Additional Sale Interests;
- 1.1.2 comply with its obligations under, and not (by act or omission) breach any of the provisions of, the Additional Sale Interests Documents, any applicable Law, any material licences, permits, approvals and other authorisations required for carrying out operations in accordance with the Additional Sale Interests Documents and any previously agreed decisions of any operating committees in relation to the Additional Sale Interests;
- 1.1.3 not without the Buyer's prior written approval (not to be unreasonably withheld or delayed) amend, novate, terminate or give any consents or waivers under, or agree to amend, novate, terminate or give any consents or waivers under, any of the Additional Sale Interests Documents (other than as part of routine third-party transfers or novations);
- 1.1.4 not trade, sell, pledge, transfer, assign, charge, mortgage or create or grant any Encumbrance over any part of the Additional Sale Interests (or agree to do any of the foregoing) without the prior written approval of the Buyer (not to be unreasonably withheld or delayed);
- 1.1.5 consult with the Buyer in relation to any material decision in connection with the Additional Sale Interests and take account of the reasonable representations of the Buyer, provided that nothing in this Paragraph 1.1 shall operate to fetter the discretion of the Seller in exercising its votes in respect thereto;
- 1.1.6 use its reasonable endeavours to enable the Buyer to attend, as an observer, any meetings of the relevant management or other committee under any Operating Agreement, subject to the consent of the other parties thereto;
- 1.1.7 be entitled to approve any work programme, budget, expenditure or capital commitment relating to the Additional Sale Interests and pay all expenses including cash calls relating to the Additional Sale Interests as they become due, only to the extent that such approval or payment:
 - (a) is covered by any budget approved prior to the date of this Deed that has been Disclosed to the Buyer;
 - (b) is covered in the Agreed WP&B; or

- (c) relates to expenditure which the Buyer has given its prior written approval for (not to be unreasonably withheld or delayed);
- 1.1.8 not propose, approve or participate in any sole risk operation with respect to the Additional Sale Interests without the prior written consent of the Buyer (not to be unreasonably withheld or delayed);
- 1.1.9 not agree to voluntarily relinquish all or any part of any area held under the Licence, or to withdraw from the Licence or any Operating Agreement, without the prior written consent of the Buyer (not to be unreasonably withheld or delayed);
- 1.1.10 ensure that pending Completion the Buyer is kept informed of all material matters in relation to the Additional Sale Interests (including: (a) any event or series of events which causes any failure of or physical damage to or destruction of any of the Facilities comprising any Additional Sale Interest; and (b) any event or series of events which causes or is likely to cause production attributable to the Magnus Field and/or the Magnus South Field to be shut in or curtailed; and (c) any event or circumstance that arises which means that the Seller would be in breach of one or more of the Warranties set out in paragraphs 1.1, 1.2, 1.3, 1.4 and 1.10 of Exhibit 5 were the Seller to repeat such Warranties by reference to the facts, matters and circumstances existing at any time after such event or circumstance arose);
- 1.1.11 co-operate with the Buyer in good faith so as to ensure an efficient handover of the Additional Sale Interests on Completion;
- 1.1.12 in respect of such policies of insurance as are maintained by the Seller in respect of the Additional Sale Interests and are in force at the date of this Deed (except in respect of insurance cover for loss of production income and/or business interruption):
 - (a) maintain the same in full force and effect and pay all premia in respect thereof; and
 - (b) use reasonable endeavours to make and pursue all claims which can be made under such policies in respect of any loss of or damage to the Additional Sale Interests;
- 1.1.13 make available or allow the Buyer access to material information and Data relating to the Additional Sale Interests (including authorisations for expenditure, work programmes and budgets, operating committee minutes and agenda) reasonably requested by the Buyer from time to time;
- 1.1.14 not enter into, or agree to enter into, any new agreements in relation to the Additional Sale Interests without the prior written consent of the Buyer (not to be unreasonably withheld or delayed); and
- 1.1.15 at the request of the Buyer following at least five (5) Business Days prior written notice, allow representatives of the Buyer access to such property and Facilities that relate to the Additional Sale Interests for the purposes of inspecting the assets comprised in the Additional Sale Interests, subject to the Buyer entering into any mutual hold harmless arrangement as may be required by the Seller or the Seller's Group.
- 1.2 Save as permitted by applicable Law, nothing in article 1.1 shall place any requirement on the Seller to consult with the Buyer (and to take its reasonable requirements into account) if to do so may: (i) place such Seller in breach of any Additional Sale Interests Document; (ii) cause a

breach of such Seller's health, safety and environmental policies; or (iii) in the opinion of such Seller, acting reasonably, bring the Seller's reputation into disrepute.

- 1.3 Nothing in article 1.1 shall prevent the Seller from making any expenditure or commitments for expenditure or taking any actions it deems necessary in respect of the Additional Sale Interests in the case of the safeguarding of lives or property or the prevention of pollution or other damage to the Environment.

To the extent that any action to be taken by the Seller that is set out in article 1.1 requires the Buyer's prior consent (written or otherwise), such consent shall be deemed to be given if the Seller receives no response from the Buyer to a notice given in accordance with this Schedule 2 requesting such consent within twenty (20) Business Days of the date of receipt by the Buyer of such request.

EXHIBIT 4
COMPLETION OBLIGATIONS

(Paragraph 6)

1. SELLER'S COMPLETION OBLIGATIONS

1.1 On the Completion Date the Seller shall:

- 1.1.1 if the Completion Payment is a negative amount, pay to the Buyer's Nominated Account an amount equal to the Completion Payment; and
- 1.1.2 deliver or procure the delivery to the Buyer (to the extent not already delivered prior to Completion):
 - (a) counterparts of those of the Novation Agreements duly executed by all parties thereto other than the Buyer;
 - (b) a copy of all the documents comprising the Secretary's consent;
 - (c) a copy of other relevant consents, guarantees, approvals, releases, confirmations or waivers, if any, referred to in Paragraph 4 and obtained by or on behalf of the Seller;
 - (d) counterparts of the Vendor Loan Facility Agreement and Net Cashflow Share Deed duly executed by the Seller and any other relevant members of the Seller's Group; and
 - (e) a copy, certified as a true copy and in full force and effect by a director or the secretary of the Seller of: (i) a resolution of the board of directors of the Seller authorising its entry into the Transaction, and authorising a person or persons to sign this Deed and all other relevant agreements contemplated by this Deed on behalf of the Seller; and, if relevant, (ii) a power of attorney authorising a person or persons to sign this Deed, and all other relevant agreements contemplated by this Deed on behalf of the Seller.

2. BUYER'S COMPLETION OBLIGATIONS

2.1 On the Completion Date, the Buyer shall:

- 2.1.1 if the Completion Payment is a positive amount, subject to its rights pursuant to the Vendor Loan Facility Agreement, pay to the Seller's Nominated Account an amount equal to the Completion Payment; and
- 2.1.2 deliver or procure the delivery to the Seller (to the extent not already delivered prior to Completion):
 - (a) a copy of the relevant consents, guarantees, approvals, releases, confirmations or waivers, if any, referred to in Paragraph 4 and obtained or provided by or on behalf of the Buyer;
 - (b) a copy, certified as a true copy and in full force and effect by a director or the secretary of the Buyer of: (i) a resolution of the board of directors of the Buyer authorising its entry into the Transaction, and authorising a person or persons to sign this Deed and all other relevant agreements contemplated by this Deed on behalf of the Buyer; and, if relevant, (ii) a power of attorney

authorising a person or persons to sign this Deed, and all other relevant agreements contemplated by this Deed on behalf of the Buyer;

- (c) counterparts of those of the Novation Agreements to which it is a signatory duly executed by the Buyer; and
- (d) counterparts of the Vendor Loan Facility Agreement and Net Cashflow Share Deed duly executed by the Buyer.

3. GENERAL

- 3.1 All documents and items delivered at Completion pursuant to this Exhibit 4 shall be held by the recipient to the order of the Person delivering the same until such time as Completion shall be deemed to have taken place. Simultaneously with delivery of all documents and all items required to be delivered at Completion (or waiver of its delivery by the Person entitled to receive the relevant document or item) the documents and items delivered in accordance with this Exhibit 4 shall cease to be held to the order of the Person delivering them and Completion shall be deemed to have taken place.

EXHIBIT 5
SELLER'S WARRANTIES

(Paragraph 8.1)

1. TITLE AND AUTHORITY WARRANTIES

- 1.1 The Seller is a licensee of the Licence and the sole beneficial owner of the Additional Sale Interests.
- 1.2 Following fulfilment of the Conditions, the Seller will have the right to transfer and assign full legal and beneficial ownership of the Additional Sale Interests to the Buyer.
- 1.3 Subject to the provisions of the Additional Sale Interests Documents, no Encumbrance is in existence and in force over the Additional Sale Interests nor, subject as aforesaid, is there in effect any agreement or commitment to create the same.
- 1.4 The Licence is in full force and effect.
- 1.5 The Seller is duly incorporated with limited liability and validly existing under the laws of England and Wales.
- 1.6 The Seller has the requisite corporate power and authority to enter into, execute, deliver and perform its obligations under this Deed and each other Transaction Document to be executed by it pursuant to this Deed.
- 1.7 All necessary corporate action has been taken on the part of the Seller to authorise, execute and deliver this Deed and the other Transaction Documents to be executed by the Seller pursuant to this Deed and to perform the Transaction and this Deed constitutes, and the other Transaction Documents to be executed by the Seller will, when executed, constitute, valid and binding obligations of the Seller in accordance with their respective terms.
- 1.8 Subject to the fulfilment of the Conditions, no consent, authorisation, licence or approval of, or notice to, the Seller's shareholders or any governmental, administrative, judicial or regulatory body, authority or organisation, is required (or will be required as a result of this Deed) to authorise the execution, delivery, validity, enforceability or admissibility in evidence of this Deed, or the performance by the Seller of its obligations under this Deed.
- 1.9 The Seller is solvent under the laws of its jurisdiction of incorporation and is able to pay its debts as they fall due. There are no proceedings in existence or proposed in relation to any compromise or arrangement with creditors or any winding-up, bankruptcy or insolvency proceedings concerning the Seller (or analogous proceedings in any jurisdiction) and, so far as the Seller is aware, no events have occurred which would justify such proceedings. So far as the Seller is aware, no steps have been taken to enforce any security over the assets of the Seller and no event has occurred which would give the right to enforce such security.
- 1.10 No act or omission of the Seller has occurred which would entitle the Secretary to revoke the Licence and no notice has been given to the Seller by the Secretary of any intention to revoke the Licence.
- 1.11 The signing and delivery of this Deed and, subject to fulfilment of the Conditions, the performance of the Transaction will not materially contravene or constitute a material default under any provision contained in any agreement, instrument, law, judgment, order, licence, permit or consent by which the Seller or any member of the Seller's Group or their respective assets is bound or affected.

- 1.12 The consummation of the Transaction shall not cause the Seller to be in breach of any such licences, permits, authorisations or qualifications held by the Seller in respect of the Additional Sale Interests or for any of the same to be terminated.

(The foregoing Seller's Warranties in this article 1 being the "**Title and Authority Warranties**").

2. BUSINESS WARRANTIES

- 2.1 Neither the Seller nor any of its Associated Persons has directly or indirectly, in connection with the Additional Sale Interests or the Transaction:

2.1.1 authorised, offered, promised or given any financial or other advantage (including any payment, loan, gift or transfer of anything of value), directly or indirectly, to or for the use of any Government Official (or to another Person at the request of or with the assent or acquiescence of any Government Official) or any other Person in order to:

- (a) improperly obtain or retain business for or with any Person;
- (b) improperly direct business to any Person;
- (c) secure any improper advantage; or

2.1.2 engaged in any other activity, practice or conduct in violation of any applicable anti-bribery and corruption and anti-money laundering laws and regulations.

- 2.2 Within the period of three (3) years prior to the date of this Deed, the Seller has not received any notices asserting force majeure pursuant to the force majeure clause included in any of the Additional Sale Interests Documents.

- 2.3 None of the licensees to the Licence or the parties to any Operating Agreement has given any notice of surrender or withdrawal from the Licence or any Operating Agreement.

- 2.4 So far as the Seller is aware, no member of the Seller's Group is involved as a party in any material litigation, arbitration or contentious administrative proceedings in relation to the Additional Sale Interests which by itself or together with any such other proceedings (having such effect) have a material adverse effect on the Seller's business or assets (taken together as a whole) and which would materially and adversely affect its ability to perform its obligations under this Deed and no such proceedings have been threatened in writing by or against any member of the Seller's Group.

- 2.5 The Seller has not in the three (3) years prior to the date of this Deed, received from any Government Entity or third-party any written notice of any alleged material contravention of or material liability under any Environmental Laws in respect of a matter concerning the Additional Sale Interests, and, so far as the Seller is aware, there are no circumstances which are reasonably likely to give rise to any such notice.

- 2.6 No written threat by an Environmental Authority to vary, revoke or suspend any environmental permit or licence required in relation to operations in respect of the Additional Sale Interests has been received by the Seller in the three (3) years prior to the date of this Deed, and so far as the Seller is aware, no circumstances exist which are reasonably likely to give rise to such variation, revocation or suspension.

- 2.7 In the three (3) years prior to the date of this Deed, the Seller has not received any notice from any relevant Government Authority or any other party to the Additional Sale Interests Documents notifying the Seller of any major personnel health and safety incidents having occurred in respect of the Additional Sale Interests nor any notice prohibiting or suspending the

activities of the Seller as Operator of the Additional Sale Interests pursuant to any legislation regulating health and safety in respect of the Additional Sale Interests.

- 2.8 In the three (3) years prior to the date of this Deed, the Seller has not received any notice from any Environmental Authority or any other party to the Additional Sale Interests Documents notifying the Seller that there has been any significant unauthorised release, migration, leakage, spill, discharge, entry, deposit or emission in connection with operations carried out under the Additional Sale Interests Documents of any Hazardous Substances.
- 2.9 In the three (3) years prior to the date of this Deed, the Seller has not received any notice from any relevant Government Entity or any other party to the Additional Sale Interests Documents, that any Well to the extent comprised within the Additional Sale Interests which has been plugged and abandoned has not been plugged and abandoned in accordance with all requirements under Law (as in force at the time of such plugging and abandonment) and the relevant Additional Sale Interests Documents.
- 2.10 The Secretary has not given notice to the Seller of any intention to call for the submission of or to impose an abandonment or decommissioning programme in respect of the Additional Sale Interests or security for the same.
- 2.11 Save as contemplated by the SPA and the transactions related thereto, so far as the Seller is aware, no vote to remove the Seller in its capacity as Operator is pending or has been proposed, and the Seller, in its capacity as Operator, has not intimated that it intends to resign as such.
- 2.12 Since 1 January 2016, the Seller has carried on its business in relation to the Additional Sale Interests in the normal course and without any material alteration in the nature or manner of its business in relation to the Additional Sale Interests.
- 2.13 The Seller is not in breach of any Operating Agreement as would permit the other parties to such agreement to remove it as Operator pursuant to the relevant provisions of the Operating Agreement. The Seller has not given any notice to resign as Operator.
- 2.14 The Seller has not committed any material breach of the Licence or any of the other Additional Sale Interests Documents and the Seller has not received notice that any of the parties to any of the Additional Sale Interests Documents is in breach thereof, which breach, at the date of making this statement, is of a material nature and is subsisting, and so far as the Seller is aware, no event has occurred which with the giving of notice and/or lapse of time and/or a relevant determination could constitute a material contravention or default by the Seller under any agreement or instrument by which the Seller is bound or affected in respect of the Additional Sale Interests.
- 2.15 In each case, save as in relation to Environmental Law:
- 2.15.1 the Seller has never, by any act or omission in relation to the Additional Sale Interests, committed any criminal act or breach of criminal law or applicable regulation;
 - 2.15.2 the Seller has at all relevant times held all regulatory licences necessary for the Seller to own and (as relevant) operate the Additional Sale Interests;
 - 2.15.3 the Seller holds and at all times has complied with all material licences, permits, approvals and other authorisations required for carrying out operations in accordance with the Additional Sale Interests Documents and applicable Law and the Seller has not received any written notice alleging a material breach of any of such licences, permits, approvals and authorisations;

- 2.15.4 the Seller has not received any written notice from an Government Entity in the three (3) years prior to the date of this Deed alleging that it does not have any material licence, permission, authorisation (public or private) or consent required for carrying on the business of the Additional Sale Interests effectively in the places and in the manner in which it is carried out at the date of this Deed in accordance with all applicable Laws and regulations or that it has committed any material breach of any such licence, permission, authorisation or consent;
- 2.15.5 so far as the Seller is aware, in the three (3) years prior to the date of this Deed, there has been no default by any member of the Seller's Group under any order, decree or judgment of any court or any governmental or regulatory authority in the jurisdiction in which it is incorporated in relation to the Additional Sale Interests; and
- 2.15.6 the Seller has not committed any material breach of any of the Additional Sale Interests Documents nor has it received written notice that any of the parties to any of the above mentioned documents is in breach thereof where such breach is of a material nature and is subsisting.
- 2.16 The work obligations under the Licence have been duly fulfilled and discharged and there is no outstanding work obligation to be fulfilled.
- 2.17 The Additional Sale Interests Documents and the Seller Retained Agreements are the only documents which govern or relate to the creation, existence or validity of the Additional Sale Interests.
- 2.18 The Seller is not under an obligation to enter into any further material agreements in relation to the Additional Sale Interests.
- 2.19 The Data Room Disclosed Documents and Information contains copies of all of the Additional Sale Interests Documents and the copies of the Additional Sale Interests Documents in the Data Room Disclosed Documents and Information are true and up to date copies of the originals.
- 2.20 No claim is outstanding under any policy of insurance which is maintained by the Seller in respect of the Additional Sale Interests.

(The foregoing Seller's Warranties in this article 2 being the "**Business Warranties**").

3. TAX WARRANTIES

- 3.1 The Seller is registered for VAT in the United Kingdom under a group VAT registration of which Britoil is the representative member.
- 3.2 The Magnus Field received development consent prior to 16 March 1993.
- 3.3 HMRC has not operated or agreed to operate any special arrangement (being an arrangement which is not based on relevant legislation or published practice) in relation to any of the Additional Sale Interests (other than in relation to those matters set out in the letter from HMRC to the Seller dated 3 August 2000, a copy of which is included in the Data Room Disclosed Documents and Information).
- 3.4 HMRC is not currently in dispute with the Seller in respect of the Additional Sale Interests nor, so far as the Seller is aware, is there any reason why such a dispute should arise in respect of any event prior to the Completion Date.

- 3.5 No action has been taken by the Seller in respect of which any consent or clearance from HMRC was required in respect of the Additional Sale Interests save in circumstances where such consent or clearance was validly obtained and where any conditions attaching thereto were and will, immediately following Completion, continue to be met.
- 3.6 All VAT payable in respect of the acquisition of goods and all excise and other import charges or duties payable to any assets used in connection with the Additional Sale Interests have been paid or provided for in full.

4. EMPLOYMENT WARRANTIES

- 4.1 The Data Room Disclosed Documents and Information contains copies of all of the standard terms and conditions, staff handbooks and policies which apply to the Transferring Employees to the extent that they are sufficient and necessary for the Transferee to comply with its obligations under the Transfer of Operatorship Agreements.
- 4.2 The Data Room Disclosed Documents and Information contains accurate details of all remuneration and other benefits provided, or which any member of the Seller Group is bound as of the date of this Deed to provide (whether now or in the future), to the Transferring Employees and such information includes particulars of all profit sharing, incentive, bonus, commission, medical, permanent health insurance, travel, company car, redundancy and other benefit scheme (whether contractual or discretionary).
- 4.3 The details of the Transferring Employees in the Transfer of Operatorship Agreements are accurate in all material respects.

5. PENSIONS WARRANTIES

For the purposes of this article 5:

"Flex Plan" means the Seller Group flexible benefits plan contained in the Data Room Disclosed Documents and Information

"GPP" means the group personal pension plan administered by Aegon and provided under the Flex Plan contained in the Data Room Disclosed Documents and Information

"Rules" means the rules, dated 27 June 2016, governing the Seller Pension Scheme contained in the Data Room Disclosed Documents and Information

"Seller Group Pension Fund" means the pension fund of the Seller Group contained in the Data Room Disclosed Documents and Information which is governed by the Trust Deed and applies (inter alia) to the Transferring Employees

"Seller Pension Scheme" means the section of the Seller Group Pension Fund, relating to the pensions scheme of the Seller, as governed by the Rules and the Trust Deed

"TUPE" means the Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended) and references to TUPE shall, where deemed to be relevant, be deemed to include a reference also to the Transfer of Employment (Pension Protection Regulations) 2005 (as amended)

"Trust Deed" means the Disclosed trust deed, dated 10 November 2016, governing the Seller Group Pension Fund

- 5.1 Save under the Seller Pension Scheme, the early retirement practice for offshore employees (as Disclosed), and the GPP contained in the Data Room Disclosed Documents and Information

(the "**Schemes**"), no Transferring Employee has any entitlement to any retirement benefits as defined in section 255(5) of the Pensions Act 2004 (the "**Relevant Benefits**") in relation to their employment with the Seller.

- 5.2 The GPP provides only money purchase benefits (as defined in section 181 of the Pension Schemes Act 1993).
- 5.3 No undertaking, proposal, promise or assurance (whether legally binding or not) has been made or given by the Seller to or in respect of any Transferring Employee as to the introduction, continuation, increase, improvement or enhancement (including the enhancement of existing entitlements set out in the documentation of the Schemes) of any Relevant Benefits.
- 5.4 The Data Room Disclosed Documents and Information contain accurate details of the nature of the Relevant Benefits and death benefits payable to and in respect of the Transferring Employees.
- 5.5 All contributions and premiums, fees, charges and expenses which have become payable or due, under or in relation to the Schemes by or in respect of the Transferring Employees have been duly paid.
- 5.6 No Transferring Employee has the right as a result of a previous TUPE transfer to any retirement benefits payable on or after Completion other than those relating to old age, invalidity or survivorship under the Schemes.

EXHIBIT 6
LIMITATIONS ON SELLER'S LIABILITY

Part A
Limitations on Liability
(Paragraph 9)

1. LIMITATION ON QUANTUM

- 1.1 The Seller shall not be liable in respect of a Buyer Claim (other than a Buyer Indemnity Claim), unless and until:
- 1.1.1 the amount of each such claim exceeds two hundred and fifty thousand US Dollars (US\$250,000); and
 - 1.1.2 the aggregate amount of all such claims exceeds three million US Dollars (US\$3,000,000), in which case the Seller shall be liable for the whole amount of such claims.
- 1.2 Notwithstanding article 1.1, the Seller's total liability for all Buyer Claims (excluding a Buyer Indemnity Claim) shall be limited to three hundred million US Dollars (US\$300,000,000).
- 1.3 The Buyer acknowledges and agrees that the aggregate amount of its costs and expenses (including legal costs) associated with pursuing any Buyer Claim shall be excluded from the sums set out in article 1.1.
- 1.4 The Buyer and the Seller further acknowledge and agree that for the purposes of article 1.2 the amount of any such Buyer Claim shall be converted, where relevant, from Pounds Sterling into US Dollars by reference to the Conversion Rate on the date of the occurrence of the matter or circumstance giving rise to such alleged breach.

2. TIME LIMIT FOR BRINGING A CLAIM

- 2.1 The Seller shall not be liable for:
- 2.1.1 a Buyer Claim for breach of the Business Warranties unless the Buyer has given the Seller written notice of that claim by no later than eighteen (18) Months after Completion; or
 - 2.1.2 a Buyer Claim (excluding a Buyer Claim for breach of the Business Warranties and excluding a Buyer Indemnity Claim), unless the Buyer has given the Seller written notice of that claim by no later than five (5) years after Completion.
- in each case, stating in reasonable detail the nature of the Buyer Claim and the Buyer's then best estimate of the amount so claimed.
- 2.2 Any Buyer Claim (excluding a Buyer Indemnity Claim) shall (if it has not been previously satisfied, settled or withdrawn) be deemed to have been waived or withdrawn on the expiry of nine (9) Months after the date on which notice of such Buyer Claim was served, if legal proceedings have not been issued on the Seller within such period.
- 2.3 Where the matter or default giving rise to a Buyer Claim is capable of remedy, the Buyer may not bring a Buyer Claim unless notice of the Seller's breach is given to the Seller as soon as reasonably practicable after the Buyer becoming aware of the matter or default, and the matter or default is not remedied to the satisfaction of the Buyer (acting reasonably) within thirty (30)

days after the date on which such notice is given. Where the matter or default giving rise to a Seller Claim is capable of remedy, the Seller may not bring a Seller Claim unless notice of the Buyer's breach is given to the Buyer as soon as reasonably practicable after the Seller becoming aware of the matter or default, and the matter or default is not remedied to the satisfaction of the Seller (acting reasonably) within thirty (30) days after the date on which such notice is given.

3. ACTS OF THE BUYER

3.1 The Seller shall not be liable to make payments in respect of a Buyer Claim (other than a Buyer Indemnity Claim) to the extent that the matter giving rise to, or the loss arising from, the claim:

- 3.1.1 would not have arisen or occurred but for an act, omission or transaction on the part of the Buyer or any member of the Buyer's Group or any of their respective directors, employees or agents after the date of this Deed, otherwise than as required by Law;
- 3.1.2 occurs as a result of or is otherwise attributable to or is increased as a result of:
 - (a) the Buyer or any member of the Buyer's Group disclaiming any part of the benefit of any Relief claimed or proposed to be claimed on or before the date of this Deed; or
 - (b) the Buyer or any other member of the Buyer's Group failing to claim after Completion any part of the benefit of any Relief which is available to set off or otherwise mitigate the liability that is the subject of the Buyer Claim; and
- 3.1.3 would not have arisen but for any change in ownership, reorganisation, amalgamation, restructuring, intra-group reorganisation, transfer of business, assets or Liabilities, cessation of trade or change in the nature or conduct of trade of the Buyer or any member of the Buyer's Group on or after Completion.

For the purposes of this article 3:

"Profits" means income, profits or gains (including capital gains) of any description or from any source and shall include profits deemed to have been or treated as earned, accrued or received for Taxation purposes; and

"Relief" means loss, allowance, exemption, set-off, deduction, credit or other relief relating to any Taxation or to the computation of Profits for the purposes of any Taxation or any repayment, or right to a repayment, of Taxation.

4. ACCOUNTING

4.1 The Seller shall not be liable to make payments in respect of a Buyer Claim to the extent that the matter giving rise to, or the loss arising from, the claim results from or is increased by a change in the accounting policies or practices of the Buyer or any member of the Buyer's Group introduced or having effect on or after Completion.

5. CHANGES IN LEGISLATION

5.1 The Seller shall not be liable to make payments in respect of a Buyer Claim (other than a Buyer Indemnity Claim) to the extent that the matter giving rise to, or the loss arising from, the claim occurs as a result of or is otherwise attributable to or is increased as a result of:

- 5.1.1 any change in any rate of Taxation or any change in legislation (whether relating to Tax or otherwise) made after the date of this Deed or any change to, or withdrawal of,

any previously published practice or concession of any Taxation Authority after Completion; or

- 5.1.2 any legislation not in force at the date of this Deed or any change of Law or administrative practice having retrospective effect which comes into force after Completion.

6. RIGHT TO RECOVERY

- 6.1 Where the Buyer is entitled to recover from any Person any amount in respect of any fact, matter or circumstance which is likely to give rise to a Buyer Claim, the Buyer shall use reasonable endeavours to procure the recovery of that amount before any steps are taken against the Seller in respect of such Buyer Claim. The Buyer shall keep the Seller fully and promptly informed of the conduct of such recovery. Any amount recovered by the Buyer (less any out of pocket expenses incurred in recovering the amount) will reduce the amount of the Buyer Claim by an equivalent amount. If recovery is delayed until after the Buyer Claim has been satisfied by the Seller, the Buyer shall repay to the Seller the amount so recovered from the third party (less any out of pocket expenses incurred in recovering the amount) within ten (10) Business Days of receipt of such amount. If the amount recovered by the Buyer exceeds the amount satisfied by the Seller, the Buyer shall be entitled to retain the excess.

7. AGREED MATTERS

- 7.1 The Seller shall not be liable to make payments in respect of a Buyer Claim to the extent that the matter giving rise to, or the loss arising from, the claim arises as a consequence of any act or omission pursuant to and in compliance with the terms of this Schedule 2 or any other Transaction Document, by reason or in consequence of the execution and performance of this Schedule 2 or any other Transaction Document, or at the written request, or with the written approval, of the Buyer or any member of the Buyer's Group.

8. PROVISIONS

- 8.1 The Seller shall not be liable to make payment in respect of a Buyer Claim to the extent that:
- 8.1.1 the matter giving rise to, or the loss arising from, the claim is taken into account in the Completion Payment Statement and/or the Final Completion Statement; or
- 8.1.2 the full amount of the Buyer Claim is satisfied under clause 5 of the Net Cashflow Share Deed.

9. KNOWN OR DISCLOSED MATTERS

- 9.1 The Seller shall not be liable to make payments in respect of a Buyer Claim relating to a breach by the Seller of a Seller's Warranty if and to the extent that:
- 9.1.1 the matter (and the consequences and impact of the matter on the value of the Additional Sale Interests) was actually known to the Buyer before the date of this Deed. For the purposes of this article 9.1, the Buyer's knowledge shall be limited to the actual knowledge of Faysal Hamza, Paul Bowden, Andy Lane, Sandy Fettes, Michele Eaves, Graeme Cook, Pamela Thomson, Salman Malik, Craig Stewart, Paul Massie, Shaun Potter, David Povey, Ali Talpur, Victoria Presly, Stefan Ricketts, Andrew Evans (up to the date on which he ceased to be employed by a member of the Buyer's Group), Steven Butler and John Cowie, and having made reasonable

enquiries of the legal advisers engaged by the Buyer (or any member of the Buyer's Group) in relation to the Transaction and the other Transaction Documents; or

- 9.1.2 the matter giving rise to, or the loss arising from, the claim arises in respect of any matter Disclosed.

10. NO DUPLICATION OF LIABILITY

The Buyer agrees with the Seller that, in respect of any matter which may give rise to a liability under this Schedule 2 or any other Transaction Document (including a Buyer Claim), no such liability shall be met by the Seller's Group more than once.

11. CALCULATING LIABILITY

- 11.1 If, after the Seller has made any payment in respect of a Buyer Claim, the recipient of that payment recovers from a third-party (including any Taxation Authority) (whether by payment, discount, credit, relief or otherwise) a sum which is referable to that payment (a "**Recovery Amount**"), then the Buyer shall forthwith repay to the Seller (or procure the repayment of) an amount equal to the lesser of the Recovery Amount (less all proper costs, fees and expenses paid by the Buyer in recovering the Recovery Amount and any Taxation paid by the Buyer thereon) and the sum paid by the Seller.

12. MITIGATION

- 12.1 The Buyer shall (and shall procure that each member of the Buyer's Group shall) mitigate any loss suffered by it, and each member of the Buyer's Group which would, could or might reasonably result in a Buyer Claim.

13. NO LIMITATION

- 13.1 Notwithstanding any other provision of this Schedule 2, the provisions of this part A of Exhibit 6 shall not apply to any claim made against the Seller in the case of any fraud, dishonesty, wilful misstatement, wilful misconduct or wilful omission by or on behalf of the Seller.

Part B
Third Party Claims

1. For the purposes of this Schedule 2, **"Third Party Claim"** means any matter which might give rise to a claim by a third-party against:
 - (a) the Buyer or any member of the Buyer's Group (a **"Buyer Entity"**) which claim would or might give rise to a Buyer Claim; or
 - (b) the Seller or any member of the Seller's Group (a **"Seller Entity"**) which claim would or might give rise to a Seller Claim,in each case the Party against which the Third Party Claim is made being the **"Primary Defendant Party"** and the other Party or Parties being the **"Secondary Defendant Party/ies"**.
2. The Primary Defendant Party shall, upon becoming aware of a Third Party Claim, give written notice (containing reasonable details of the Third Party Claim) to the Secondary Defendant Party/ies of the matter promptly and in any event within ten (10) Business Days after receiving notice of the Third Party Claim.
3. The Primary Defendant Party shall not, and shall procure that no Buyer Entity or Seller Entity, as applicable, shall, enter into any judgment, make any admission of liability in respect of a Third Party Claim, or compromise or settle a Third Party Claim, without the prior written consent of the Secondary Defendant Party/ies. Upon request, the Primary Defendant Party shall provide to the Secondary Defendant Party/ies details of all amounts recovered in respect of a Third Party Claim or shall confirm that there are none.
4. The Primary Defendant Party shall provide, and shall procure that each Buyer Entity or Seller Entity, as applicable, shall provide, the Secondary Defendant Party/ies and its/their professional advisers with reasonable access to premises, personnel and to all relevant documents, records, correspondence, accounts and other information within the power, possession or control of any Buyer Entity or Seller Entity, as applicable, reasonably necessary or conducive to the proper defence of the Third Party Claim, subject to the Secondary Defendant Party/ies and their professional advisers agreeing to keep the same confidential and to use the same only in connection with the Third Party Claim.
5. Upon the Buyer or the Seller becoming aware of a Buyer Claim or a prospective Buyer Claim, or Seller Claim or prospective Seller Claim, as the case may be, the Buyer or the Seller, as applicable, shall, and shall procure that each Buyer Entity or Seller Entity, as applicable, shall, retain and preserve all relevant documents, records, correspondence, accounts and other information within the power, possession or control of any such Persons which are or would reasonably be considered relevant in connection with any Third Party Claim which has given or may give rise to such actual or prospective Buyer Claim or Seller Claim, as applicable, for so long as any such actual or prospective Buyer Claim or Seller Claim, as applicable, remains outstanding.
6. The Primary Defendant Party shall be entitled to copies of any of the documents, records and information referred to in article 5 or, in the event that it wants to insure against its Liabilities in respect of any actual or prospective Buyer Claim or Seller Claim, as applicable, any information that a prospective insurer may reasonably require before effecting such insurance, subject to the Primary Defendant Party and its insurer agreeing to keep the same confidential and to use the same only in connection with assessing whether to provide insurance in respect of the Liabilities.

7. The Primary Defendant Party shall, and shall procure that each Buyer Entity or Seller Entity, as applicable, shall:
 - (a) take such action and institute such proceedings, and give such information and assistance, as the Secondary Defendant Party/ies acting reasonably may request to dispute, resist, appeal, compromise, defend, remedy or mitigate a Third Party Claim or to enforce against any Person (other than the Secondary Defendant Party/ies) the rights of any Buyer Entity or Seller Entity, as applicable, in relation to a Third Party Claim, and more generally co-operate with the Secondary Defendant Party/ies and its/their professional advisers, in each case save in circumstances where such actions would have a material adverse effect on the business or reputation of the Primary Defendant Party; and
 - (b) in connection with any proceedings related to a Third Party Claim (other than against the Secondary Defendant Party/ies) use professional advisers nominated by the Secondary Defendant Party/ies and, if the Secondary Defendant Party/ies so request(s), permit the Secondary Defendant Party/ies to have exclusive conduct of the negotiations and/or proceedings.
8. Notwithstanding the provisions of this part B of Exhibit 2, the Secondary Defendant Party/ies shall be entitled at any stage and in its/their sole direction to settle, or to require the Primary Defendant Party to settle, any Third Party Claim provided that the Secondary Defendant Party/ies shall, where practicable, notify the Buyer in advance of its decision to settle such Third Party Claim.
9. The Secondary Defendant Party/ies shall indemnify the relevant Buyer Entity or Seller Entity, as applicable, against any reasonable costs and expenses incurred by it pursuant to its obligations under articles 7 and 8.
10. Notwithstanding the provisions of this part B of Exhibit 2, no Buyer Entity or Seller Entity shall be required to provide any documents, records, correspondence, accounts and other information under this part B of Exhibit 2 to the extent that to do so would place that Buyer Entity or Seller Entity in breach of an obligation of confidentiality owed by it to a third-party or would cause it to lose any benefit of legal professional privilege.

EXHIBIT 7
BUYER'S WARRANTIES

(Paragraph 10)

1. The Buyer is duly incorporated with limited liability and validly existing under the laws of England and Wales.
2. The Buyer has the requisite corporate power and authority to enter into, execute, deliver and perform its obligations under this Deed and each other Transaction Document to be executed by it pursuant to this Deed.
3. All necessary corporate action has been taken on the part of the Buyer to authorise, execute and deliver this Deed and the other Transaction Documents to be executed by the Buyer pursuant to this Deed and to perform the Transaction and this Deed constitutes, and the other Transaction Documents to be executed by the Buyer will, when executed, constitute, valid and binding obligations of the Buyer in accordance with their respective terms.
4. The signing and delivery of this Deed and, subject to fulfilment of the Conditions, the performance of the Transaction will not materially contravene or constitute a material default under any provision contained in any agreement, instrument, law, judgment, order, licence, permit or consent by which the Buyer or any member of the Buyer's Group (including EnQues Parent) or their respective assets is bound or affected.
5. The Buyer and each member of the Buyer's Group (including EnQuest Parent) is solvent under the laws of its jurisdiction of incorporation and is able to pay its debts as they fall due. There are no proceedings in existence or proposed in relation to any winding up, bankruptcy or other insolvency proceedings concerning the Buyer or any member of the Buyer's Group or analogous proceedings in any jurisdiction) and, so far as the Buyer is aware, no events have occurred which would justify any such proceedings. So far as the Buyer is aware, no steps have been taken to enforce any security over the assets of the Buyer or any member of the Buyer's Group and no event has occurred which would give the right to enforce such security.
6. Subject to the fulfilment of the Conditions, no consent, authorisation, licence or approval of, or notice to the Buyer's shareholders or any governmental, administrative, judicial or regulatory body, authority or organisation is required to authorise the execution, delivery, validity, enforceability or admissibility in evidence of this Deed or the performance by the Buyer of its obligations under this Deed.
7. So far as the Buyer is aware, no member of the Buyer's Group is involved as a party in any material litigation, arbitration or contentious administrative proceedings which have a material adverse effect on the Buyer's business or assets (taken together as a whole) and which would materially and adversely affect its ability to perform its obligations under this Deed and no such proceedings have been threatened in writing by or against any member of the Buyer's Group.
8. The consummation of the Transaction shall not cause the Buyer to be in breach of any such licences, permits, authorisations or qualifications held by the Buyer or for any of the same to be terminated.
9. The Buyer has not incurred any liability in connection with any broker's or finder's fees which may impose liability or responsibility on the Seller.
10. Neither the Buyer nor any of its Associated Persons has directly or indirectly, in connection with the Additional Sale Interests or the Transaction:

- 10.1 authorised, offered, promised or given any financial or other advantage (including any payment, loan, gift or transfer of anything of value), directly or indirectly, to or for the use of any Government Official (or to another Person at the request of or with the assent or acquiescence of any Government Official) or any other Person in order to:
 - (a) improperly obtain or retain business for or with any Person;
 - (b) improperly direct business to any Person; or
 - (c) secure any improper advantage; or
 - 10.2 engaged in any other activity, practice or conduct in violation of any applicable anti-bribery and corruption and anti-money laundering laws and regulations.
11. The Buyer has applied, or will before Completion apply, to be registered for VAT in the United Kingdom with effect from a date on or before the date of Completion under a group VAT registration of which EHL is the representative member.

EXHIBIT 8

TAX

(Paragraph 12)

1. The Buyer and its agents, officers or employees shall give the Seller or its agents all such assistance as may reasonably be required to enable the Seller to comply with its own Taxation obligations or facilitate the settlement or management of their own Taxation affairs in relation to the Additional Sale Interests, including providing access to the personnel, books, accounts and records, and providing copies of relevant documentation.
2. Upon request from the Buyer, the Seller shall provide the Buyer in a timely fashion with copies of all records and tax returns relating to periods prior to the Completion Date and relating wholly to the Additional Sale Interests which are reasonably required by the Buyer for the purposes of completing and filing any Tax return relating to the Additional Sale Interests.
3. All sums payable by the Buyer under this Schedule 2 are exclusive of any value added tax or equivalent sales or turnover tax (if applicable), which will be added where applicable and will be payable by the Buyer on presentation of a valid invoice.
4. In respect of the Additional Sale Interests, the Seller shall indemnify the Buyer in respect of any amounts payable pursuant to any notice issued under Part 7A of the Taxes Management Act 1970 received by the Buyer after the Economic Date provided that the income which gave rise to such assessment was in respect of work performed before the Economic Date and in relation to the Additional Sale Interests.
5. In respect of the Additional Sale Interests, the Buyer shall indemnify the Seller in respect of any amounts payable pursuant to any notice issued under Part 7A of the Taxes Management Act 1970 received by the Buyer after the Economic Date provided that the income which gave rise to such assessment was in respect of work performed after the Economic Date and in relation to the Additional Sale Interests.

Capital Allowances

6. The Seller and the Buyer acknowledge that, except as provided in article 7 of this Exhibit 8, the Base Consideration represents expenditure incurred by the Buyer in acquiring Plant & Machinery comprised within the Additional Sale Interests only to the extent shown by the allocations set out in part F of Exhibit 2. The Seller agrees to submit its CT returns on the basis that the said allocated expenditure on Plant & Machinery together with any increased allocation under article 7 of this Exhibit 8 is classed as disposal proceeds for the purposes of sections 60 and 61 of the Capital Allowances Act 2001. The Buyer agrees that it will treat such amount and only such amount as capital expenditure incurred for the purposes of Part 2 of the Capital Allowances Act 2001.
7. Insofar as the Base Consideration is increased pursuant to Paragraph 3, 6 and Exhibit 2 by reference to expenditure qualifying for capital allowances under Part 2 of the Capital Allowances Act 2001 for the Seller, the allocation of the Base Consideration to expenditure incurred by the Buyer in relation to the Additional Sale Interests in acquiring Plant & Machinery shall be increased by a corresponding amount.
8. The Seller and the Buyer acknowledge that it is not just and reasonable to attribute any part of the Base Consideration to allowable scientific research expenditure or research and development expenditure except to the extent of the amounts set out in Exhibit 2, and the Seller and the Buyer undertake to submit to HMRC computations of liability to CT on that basis and

not on any basis which is inconsistent therewith and for the purposes of this article, the expression “**scientific research expenditure and research and development**” shall have the same meaning as in Part VI and Part 6 respectively, of the Capital Allowances Acts 1990 and 2001.

9. Additionally the Seller and the Buyer acknowledge that, except as provided in article 10 of this Exhibit 8, it is not just and reasonable to attribute any part of the Base Consideration to allowable Mineral Exploration & Access expenditure except to the extent of the amounts set out in Exhibit 2, and the Seller and the Buyer undertake to submit to the HMRC computations of liability to CT on that basis and not on any basis which is inconsistent therewith.
10. Insofar as the Base Consideration is increased pursuant to Paragraphs 3, 6 and Exhibit 2 by reference to expenditure qualifying for capital allowances under Part 5 of the Capital Allowances Act 2001 incurred by the Seller, the allocation of the Base Consideration to expenditure incurred by the Buyer in relation to the Additional Sale Interests in acquiring an asset representing capital expenditure on mineral exploration and access shall be increased by a corresponding amount.
11. No part of the Base Consideration as adjusted pursuant to this Schedule 2 shall be treated as a direct reimbursement of expenditure that the Seller has incurred.

Reallocation of Completion Consideration

12. If HMRC disputes and does not agree the allocation of the Completion Consideration as set out in part F of Exhibit 2, as adjusted, the Buyer and the Seller shall jointly negotiate in good faith an allocation acceptable to HMRC as close as possible to the allocation set out in Part F of Exhibit 2, as adjusted.
13. Should the final allocation of Completion Consideration to expenditure on Plant & Machinery and expenditure on Mineral Exploration and Access qualifying for relief under Part 5 of CAA 2001 agreed with HMRC be higher than the total allocation to Plant & Machinery and Mineral Exploration & Access as provided for in part F to Exhibit 2 to this Schedule 2 (the date of such agreement between the Seller and HMRC being the “**Qualifying Expenditure Realisation Date**”), as adjusted, then:
 - (a) to the maximum extent permitted by law, the Seller hereby undertake to resubmit its CT returns for the period in which Completion takes place on the basis that the said allocated expenditure on Plant & Machinery and Mineral Exploration & Access are classed as disposal proceeds for the purposes of sections 60 and 61 of the Capital Allowances Act 2001 (in respect of expenditure on Plant & Machinery) and sections 421 and 423 of the Capital Allowances Act 2001 (in respect of Mineral Exploration & Access);
 - (b) to the maximum extent permitted by law, the Buyer hereby undertakes to resubmit its CT returns for the period in which Completion takes place to treat such amount as capital expenditure incurred for the purposes of Part 2 and Part 5 of the Capital Allowances Act 2001; and
 - (c) the Buyer shall make a payment to the Seller to increase the Completion Consideration in accordance with articles 14 and 15 below, provided that the Buyer shall not be required to make a payment to the Seller under this article 13(c) to the extent that the Buyer is out of time or otherwise prevented by law from amending its CT returns in the manner prescribed by article 13(b) above.

14. The Buyer shall make the payment to the Seller pursuant to article 13(c) within thirty (30) days of the date on which the Discounted Notional CT Rate is finally agreed between the Buyer and the Seller. If the Buyer and the Seller do not agree any adjustment in the manner prescribed in the definition of "Discounted Notional CT Rate" within ninety (90) days of the Qualifying Expenditure Realisation Date, the matter shall be settled by an Expert Determination in accordance with article 4(b) of part D of Exhibit 2.
15. The amount of the payment to be made by the Buyer to the Seller in satisfaction of article 13(c) shall be the amount determined as P in the Reallocation Payment Formula.

PRT

16. The Seller shall prepare and the Buyer and the Seller shall deliver to HMRC (within two (2) Months from the end of the chargeable period for PRT purposes within which the Completion Date falls) a notice under Paragraph 3 of Exhibit 17 of the Finance Act 1980 in respect of the transfer of the Additional Sale Interests, and shall not make application under Paragraph 4 of the said schedule for the provisions of Parts 2 and 3 of that Exhibit not to apply. The notice delivered in respect of such Paragraph 3 shall where necessary take into account a partial transfer of interests in accordance with Paragraph 5 of Exhibit 17 of the Finance Act 1980.
17. In relation to the Additional Sale Interests, the Seller agrees that, if so requested by the Buyer, the Seller shall make a joint election with the Buyer under the provisions of Paragraph 14 of Exhibit 17 of the Finance Act 1980, where applicable, to enable losses arising to the Buyer to be surrendered to the Seller up to an amount provided for in such Paragraph 14.
18. Notwithstanding any other provisions of this Schedule 2, the Seller shall retain access to all books and records, and Operators' information in relation to PRT income and claims under Exhibits 5 and 6 of the OTA in relation to the Additional Sale Interests for all periods including the periods in which the Completion Date falls for a period of four (4) years from the Completion Date. The Buyer shall use reasonable endeavours to provide to the Seller, as soon as reasonably practicable, all material documentation relating to any PRT assessments, returns or claims issued by the Operator to the Buyer in respect of such periods.
19. The Parties acknowledge that this Schedule 2 has been agreed on the basis that the rate of PRT applied to profits will be 0% with effect from 1st January 2016 and continue at such level for the remaining life of the assets. In the event any future legislation increases the PRT rate on profits (or having increased it, subsequently reduces it), the Parties will meet within sixty (60) days to agree an appropriate adjustment to the Base Consideration to ensure neither party is any worse off or better off than would have been the case had there been no change in the rate of PRT. If the Parties do not agree any adjustment in accordance with the provisions of this article 19 within sixty (60) days, the matter shall be settled by an Expert Determination in accordance with article 4(b) of Part D of Exhibit 2.

VAT

20. Subject to articles 22 and 23 of this Exhibit 8, any amounts expressed to be payable under this Schedule 2 by either the Seller or the Buyer shall be exclusive of any VAT which may be chargeable thereon and the amount of any such value added tax shall be payable in addition thereto upon presentation of a valid VAT invoice.
21. The Parties consider that the transfer hereunder is a transaction that is outside the scope of VAT either by virtue of Article 5 of the Value Added Tax (Special Provisions) Order 1995 or the transfer contemplated hereby is of a right over land outside the United Kingdom and shall use

all reasonable endeavours to secure that the transfer is treated as neither a supply of goods nor a supply of services for VAT purposes.

22. Notwithstanding that the Parties consider that the sale and transfer hereunder is a transaction which is outside the scope of VAT, in the event that a Party is advised in writing by the Taxation Authority after full disclosure of all material facts that the sale and transfer hereunder is subject to VAT, the Buyer undertakes that, if called upon to do so by the Seller, it will pay to the Seller on presentation by the Seller of a valid VAT invoice any amounts properly due in respect of VAT set out in such invoice within thirty (30) days of demand.
23. Reimbursement pursuant to Paragraph 11.4 is not regarded as a consideration for supplies for VAT purposes and therefore the payment thereof shall be exclusive of VAT. Notwithstanding that the Parties consider that the reimbursement is outside the scope of VAT in the event that a Party is advised in writing by the Taxation Authority after full disclosure of all material facts that the reimbursement hereunder is subject to VAT, the Buyer undertakes that, if called upon to do so by the Seller, it will pay to the Seller on presentation by the Seller of a valid VAT invoice any amounts properly due in respect of VAT set out in such invoice within thirty (30) days of demand.
24. Following the repeal of Section 49(1)(b) of the Value Added Tax Act 1994, the Parties agree that all business records prior to the Completion Date remain the sole property of the Seller. For the purposes of Section 49(5) Value Added Tax Act 1994 the Parties agree that the term "reasonably requires" shall be taken as being thirty (30) days' notice in writing from the Buyer to the Seller requesting the Seller provide either information specified by the Buyer or copies of specified documents required by the Buyer for the purpose of complying with the Buyer's duties under the Value Added Act 1994.
25. Any Actual Adjustment Amount pursuant to Paragraph 3 or payments or reimbursements pursuant to Paragraph 11.4 shall follow VAT treatment as specified in articles 20 to 24 of this Exhibit 8.
26. Notwithstanding any other provision of this Schedule 2, the Seller shall retain access to all books and records and Operators' information in relation to VAT for all periods including the period in which the Completion Date falls for a period of six (6) years from the Completion Date. The Buyer shall use reasonable endeavours to provide the Seller, as soon as reasonably practicable, all material documentation relating to any VAT assessments, returns or claims issued by any Operator to the Buyer in respect of such periods.

Brownfield allowances

27. If, following the Completion Date, an event occurs (the date of such event being the "**BFA Activation Date**") which activates any unactivated amount of Brownfield Allowance that was held by the Seller in respect of its expenditure on MLXP and was treated pursuant to Paragraph 7 of Exhibit 12 to Finance Act 2015 as an amount of unactivated investment allowance (the "**BFA Amount**") then the Buyer shall make a payment to the Seller to increase the Total Consideration in accordance with articles 28 to 30 below.
28. The Buyer shall make the payment to the Seller pursuant to article 27 within thirty (30) days of the date on which the amount to be paid by the Seller in accordance with articles 29 and 30 is finally agreed between the Buyer and the Seller. If the Buyer and the Seller cannot agree such amount within sixty (60) days of the BFA Activation Date the matter shall be settled by an Expert Determination in accordance with article 4(b) of part D of Exhibit 2.

29. The amount of the payment to be made by the Buyer to the Seller in satisfaction of article 27 shall (subject to application of the NPV Formula pursuant to article 29) be an amount equal to the reduction in SCT to which the Buyer is entitled in respect of the BFA Amount (and such reduction shall be calculated using the rate of SCT as at the BFA Activation Date).

30. The amount payable by the Buyer as calculated in accordance with article 29 shall be reduced (if applicable) to an amount equal to A in the NPV Formula where, for the purposes of such formula:

X = the amount payable pursuant to article 29; and

Y = the number of years between (i) the BFA Activation Date and (ii) the earliest date on which the Buyer and Seller agree (acting in good faith) that the Buyer's Group will be in a position to benefit from any reduction in its liability to SCT in respect of the BFA Amount provided that the Buyer shall be entitled to assume any other actual Tax asset or Tax Relief of the Buyer or any member of the Buyer's Group would be utilised in priority to any Tax Relief to which the Buyer is entitled in respect of the BFA Amount.

SCHEDULE 3
FORM OF CALL OPTION GUARANTEE

Schedule 3 – Form of Call Option Guarantee

DATE:

201[•]

DEED OF GUARANTEE AND INDEMNITY

Between

BP EXPLORATION OPERATING COMPANY LIMITED

and

ENQUEST PLC

Schedule 3 – Form of Call Option Guarantee

THIS DEED OF GUARANTEE AND INDEMNITY is made on

201[●]

GIVEN BY:

- 1) **ENQUEST PLC.**, a company incorporated in England and Wales (company number 07140891) whose registered office is at 5th Floor, Cunard House, 15 Regent Street, London SW1Y 4LR (the "**Buyer Parent Company**");

IN FAVOUR OF

- (2) **BP EXPLORATION OPERATING COMPANY LIMITED**, a company incorporated in England & Wales (company number 00305943), having its registered office at Chertsey Road, Sunbury on Thames, Middlesex, TW16 7BP (the "**Seller**").

each a "**Party**" and together the "**Parties**"

WHEREAS:

- (A) The Seller entered into the Call Option Deed with the Buyer dated on or about 23 January 2017.
- (B) The Seller and the Buyer Parent Company agreed to enter into this Deed of Guarantee and Indemnity in respect of the Guaranteed Obligations on or before exercise of the Call Option.
- (C) The Buyer Parent Company is the ultimate parent company of the Buyer and has agreed (it being in its best commercial interests to do so) to enter into this Deed of Guarantee and Indemnity in respect of the Guaranteed Obligations.

NOW THIS DEED WITNESSETH as follows:

1. INTERPRETATION

- 1.1 In this Deed of Guarantee and Indemnity all capitalised terms used but not defined shall have the meanings given in the Call Option Deed. In this Deed of Guarantee and Indemnity, unless otherwise defined or provided for in this Deed of Guarantee and Indemnity, words and expressions shall have the following meanings:

"Buyer" means EnQuest NNS Limited, a company incorporated in England and Wales (company number 10573715) whose registered office is at Cunard House, 5th Floor, 15 Regent Street, London SW1Y 4LR;

"Call Option Deed" means the call option deed dated on or about 23 January 2017 and entered into between the Seller and the Buyer in respect of additional interests in the Sullom Voe Terminal, the Ninian Pipeline System, the Northern Leg Gas Pipeline, the Magnus Field and the Magnus South Field;

"Deed of Guarantee and Indemnity" means this deed of guarantee and indemnity;

"Dispute" has the meaning ascribed to it in clause 14.1;

"Guaranteed Obligations" has the meaning ascribed to it in clause 2.2; and

Schedule 3 – Form of Call Option Guarantee

"Permitted Novation" has the meaning ascribed to it in the Security Trust and Waterfall Deed.

1.2 In this Deed of Guarantee and Indemnity:

- 1.2.1 references to clauses are to be construed as references to the clauses of this Deed of Guarantee and Indemnity unless otherwise stated;
- 1.2.2 references to this Deed of Guarantee and Indemnity (or to any specified provisions of this Deed of Guarantee and Indemnity) or to any other document shall be construed as references to this Deed of Guarantee and Indemnity, that provision or that document as in force for the time being and as amended or novated or supplemented in accordance with its terms, or, as the case may be, with the agreement of the relevant parties;
- 1.2.3 words importing the plural shall include the singular and vice versa;
- 1.2.4 references to a person shall be construed as including references to an individual, firm or company;
- 1.2.5 references to any statute or statutory provision include any statute or statutory provision which amends, extends, consolidates or replaces the same, or which has been amended, extended, consolidated or replaced by the same, and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute; and
- 1.2.6 clause headings are for ease of reference only and shall not affect the construction of this Deed of Guarantee and Indemnity.

2. GUARANTEE

2.1 The Buyer Parent Company at the request of the Buyer and the Seller hereby absolutely, irrevocably and unconditionally:

- 2.1.1 guarantees to the Seller the due and punctual payment to the Seller by the Buyer of all amounts which the Buyer is obliged to pay to the Seller pursuant to the Call Option Deed; and
- 2.1.2 guarantees to the Seller the due and punctual performance by the Buyer of all other terms, covenants, stipulations and obligations contained in the Call Option Deed; and
- 2.1.3 undertakes to the Seller that whenever the Buyer does not pay any amount when due under or in connection with the Call Option Deed, the Buyer Parent Company shall within ten (10) Business Days of a written demand from the Seller pay that amount to the Seller as if the Buyer Parent Company was the principal obligor.

2.2 The obligations on the part of the Buyer under the Call Option Deed to pay such sums and to perform such terms, covenants, stipulations and obligations are referred to as "Guaranteed Obligations**" in this Deed of Guarantee and Indemnity. Notwithstanding any provision of this Deed of Guarantee and Indemnity and the Call Option Deed, the obligations(s) of the Buyer Parent Company under this Deed of Guarantee and Indemnity shall in no event exceed the obligation(s) of the Buyer under the Call Option Deed and the**

Schedule 3 – Form of Call Option Guarantee

Buyer Parent Company shall have all of the limitations, rights and defences of the Buyer under the Call Option Deed.

3. MATTERS NOT TO REDUCE THE BUYER PARENT COMPANY'S LIABILITY

- 3.1 If any Guaranteed Obligation is not or ceases to be valid or enforceable on any ground whatsoever (whether or not known to the Seller) (including, but not limited to, any defect in or want of powers of the Buyer or irregular exercise thereof or lack of authority by any person apparently authorised to act on behalf of the Buyer or any legal or other limitation, disability, incapacity or any change in the constitution of or any amalgamation, reconstruction or liquidation of the Buyer) the Buyer Parent Company shall nevertheless be liable in respect of that purported obligation or liability as if the same were fully valid and enforceable and as if the Buyer Parent Company were the principal obligor in respect thereof. The Buyer Parent Company hereby agrees to indemnify, defend and hold the Seller harmless in accordance with the terms of this Deed of Guarantee and Indemnity against all damages, losses, costs and expenses arising from any failure of the Buyer to carry out any Guaranteed Obligation by reason of it not being or ceasing to be valid or enforceable. The amount payable by the Buyer Parent Company under this indemnity shall not exceed the amount it would have had to pay hereunder if the amount claimed had been recoverable on the basis of a guarantee pursuant to clause 2.
- 3.2 In addition to any liabilities arising under the preceding clauses, the Buyer Parent Company agrees to pay the Seller within ten (10) Business Days of a written demand from the Seller reasonable legal and other costs, charges and expenses incurred by the Seller whether before or after the date of demand on the Buyer Parent Company for payment in enforcing or reasonably endeavouring to enforce the payment of any money due under this Deed of Guarantee and Indemnity or otherwise in relation to this Deed of Guarantee and Indemnity.
- 3.3 This Deed of Guarantee and Indemnity and all rights, powers and remedies of the Seller provided by or pursuant to it shall be cumulative and in addition to, and independent of, and not in any way prejudiced by, any other guarantee or security now or subsequently held by the Seller in respect of the Guaranteed Obligations or any other similar guaranteed liabilities. Neither the liability of the Buyer Parent Company nor the rights, powers and remedies of the Seller provided under or pursuant to this Deed of Guarantee and Indemnity shall be affected nor shall this Deed of Guarantee and Indemnity be discharged or diminished by reason of:
- 3.3.1 any time being given by the Seller to the Buyer or to any surety, or by any other indulgence or concession granted by the Seller to the Buyer or to any surety in respect of (or any variation or waiver of) any of the Guaranteed Obligations or any obligations of any surety (whether the same be made with the Buyer Parent Company's consent or not); or
 - 3.3.2 the taking, holding, varying, non-enforcement or release by the Seller of any present or future guarantee, indemnity or security; or
 - 3.3.3 any present or future guarantee, indemnity or security being or becoming wholly or partially void, voidable or unenforceable on any ground whatsoever; or

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- 3.3.4 any amendment (however fundamental) or replacement of the Call Option Deed or any other document or security; or
- 3.3.5 any incapacity or lack of power, authority or legal personality of, or dissolution or change in the members or status of, the Buyer or any other person; or any change in the business status, ownership, composition, structure or name of the Buyer, including, without limitation, by reason of merger, dissolution, consolidation or reorganisation; or
- 3.3.6 any unenforceability, illegality or invalidity of any obligation of the Buyer or any other person under the Call Option Deed or any other agreement, account arrangement, transaction or engagement or any other document; or
- 3.3.7 any insolvency, liquidation, receivership or similar proceedings; or
- 3.3.8 any act or omission which would not have discharged or affected the liability of the Buyer Parent Company had it been a principal debtor instead of guarantor or by anything done or omitted which but for this provision might operate to exonerate the Buyer Parent Company; or
- 3.3.9 any other act or thing whatsoever done or omitted or neglected to be done by the Seller in relation to the Guaranteed Obligations.

4. NO COMPETITION

Until all the Guaranteed Obligations have been paid, discharged or satisfied in full, the Buyer Parent Company waives all rights of subrogation and indemnity against the Buyer in respect of Guaranteed Obligations and agrees not to share in any security held or monies received by the Seller on account of such liabilities or to claim or prove in competition with the Seller in the liquidation of the Buyer (or its equivalent in any relevant jurisdiction) in respect of any monies paid by the Buyer Parent Company to the Seller under this Deed of Guarantee and Indemnity. The Seller may hold in an interest-bearing suspense account any moneys received from the Buyer Parent Company or on account of the Buyer Parent Company's liability under this Deed of Guarantee and Indemnity.

5. DISCHARGE TO BE CONDITIONAL

Any release, discharge or settlement between the Buyer Parent Company and the Seller shall be conditional upon no security, disposition or payment to the Seller by the Buyer or any other person in respect of the Guaranteed Obligations being void, set aside or ordered to be refunded pursuant to any enactment or law in relation to bankruptcy, liquidation or insolvency (or its equivalent in any relevant jurisdiction) or for any reason whatever, and if such condition shall not be fulfilled the Seller shall be entitled to enforce this Deed of Guarantee and Indemnity as if such release, discharge or settlement had not occurred and any such payment had not been made.

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6. ENFORCEMENT

- 6.1 The Seller shall not be obliged before taking steps to enforce this Deed of Guarantee and Indemnity:
- 6.1.1 to take any action or obtain judgement in any court against the Buyer or any other person;
 - 6.1.2 to make or file any claim in any bankruptcy or liquidation (or its equivalent in any relevant jurisdiction) of the Buyer or of any other person;
 - 6.1.3 to enforce or seek to enforce any claim against the Buyer or any other person under any security or other document, agreement or arrangement; or
 - 6.1.4 to enforce against and/or realise (or seek so to do) any security that it may have in respect of all or any part of the Guaranteed Obligations.

7. WARRANTIES

The Buyer Parent Company hereby warrants to the Seller that as at the date of this Deed of Guarantee and Indemnity:

- 7.1 the Buyer Parent Company is a company incorporated under the laws of England and Wales;
- 7.2 the Buyer Parent Company has power to execute, deliver and perform its obligations under this Deed of Guarantee and Indemnity and to carry out the transactions contemplated hereby;
- 7.3 the obligations of the Buyer Parent Company under this Deed of Guarantee and Indemnity constitute its legal, valid and binding obligations and are in full force and effect in accordance with their terms;
- 7.4 the execution, delivery and performance by the Buyer Parent Company of this Deed of Guarantee and Indemnity does not and will not constitute a breach of:
 - 7.4.1 any law applicable to the Buyer Parent Company;
 - 7.4.2 any agreement or other instrument to which the Buyer Parent Company is a party and by which or any of its property is bound; or
 - 7.4.3 the provisions of the Buyer Parent Company's constitutional documents;
 - 7.4.4 the Buyer Parent Company is not insolvent or unable to pay its debts as defined by section 123 Insolvency Act 1986 and no order has been made or petition presented or resolution passed for the winding up of the Buyer Parent Company; and
 - 7.4.5 no administrative or other receiver has been appointed by any person over the whole or any part of the business or assets of the Buyer Parent Company, nor has any petition been presented or application made for the appointment of an administrator in respect of the Buyer Parent Company.

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8. CONTINUING AND ADDITIONAL SECURITY

- 8.1 This Deed of Guarantee and Indemnity is a continuing security and subject to clause 9.3, shall remain in full force and effect until all the Guaranteed Obligations have been discharged or satisfied in full notwithstanding the liquidation or other incapacity or any change in the constitution of the Buyer or of the Buyer Parent Company in the name and style of either of them or any settlement of account or other matter whatsoever.
- 8.2 This Deed of Guarantee and Indemnity is in addition to and shall not merge with or otherwise prejudice or affect or be prejudiced by any other right, remedy, guarantee, indemnity or security and may be enforced without first having recourse to the same or any other bill, note, mortgage, charge, pledge or lien now or hereafter held by or available to the Seller.

9. CONTINUATION OF DEED OF GUARANTEE AND INDEMNITY AND TERMINATION

- 9.1 The Buyer Parent Company by executing this Deed of Guarantee and Indemnity hereby consents to the occurrence of the Permitted Novation and agrees that, in such event:
- 9.1.1 this Deed of Guarantee and Indemnity will continue;
- 9.1.2 the Buyer Parent Company will continue to be bound by its obligations to the Seller under this Deed of Guarantee and Indemnity; and
- 9.1.3 all references to the Buyer in this Deed of Guarantee and Indemnity shall be deemed to include EHL.
- 9.2 Subject to clause 9.3, this Deed of Guarantee and Indemnity shall remain in full force and effect notwithstanding the Permitted Novation and any amendments or variations from time to time to the Call Option Deed.
- 9.3 This Deed of Guarantee and Indemnity shall terminate and cease to have effect on the earliest to occur of: (a) a replacement guarantee being provided in accordance with clause 5 of the Call Option Deed; (b) termination of the Call Option Deed prior to Completion in accordance with its terms; and (c) receipt of notification from the Seller to the Buyer Parent Company that the Buyer has satisfied, in full, the Guaranteed Obligations (and the Seller agrees to provide such notification promptly after such event has occurred).

10. NOTICES

- 10.1 A notice or other communication given under or in connection with this Deed of Guarantee and Indemnity shall be: (a) in writing; (b) in the English language; and (c) sent by the Permitted Method (as defined in clause 6.21 of the Call Option Deed) to the Notified Address.
- 10.2 The Notified Address of the Seller shall be as set out in clause 6.22 of the Call Option Deed and the Notified Address of Buyer Parent Company is as set out below:

| Name of Party | Address | Email Address | Marked for the attention of |
|---------------|---------|-----------------------------|-----------------------------|
| Buyer Parent | EnQuest | stefan.ricketts@enquest.com | General Counsel |

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| | | | |
|---------|--|--|--|
| Company | 5th Floor Cunard House 15 Regent Street London SW1Y 4LR with copies to | | |
| | EnQuest EnQuest Global Services Limited (Dubai Branch) PO Box 53192 Dubai, United Arab Emirates and EnQuest Annan House Palmerston Road Aberdeen AB11 5QR | faysal.hamza@enquest.com neil.mculloch@enquest.com; and paul.massie@enquest.com | Managing Director Corporate Development North Sea President; and Legal Manager |

or such other Notified Address as either of the Parties may, by written notice to the other Party, substitute for their Notified Address set out above, but without prejudice to the effectiveness of any notice already given in accordance with clause 10.

11. ASSIGNMENT

Notwithstanding anything within clause 13 below, the Seller may assign or otherwise transfer any of its rights or obligations under this Deed of Guarantee and Indemnity provided that the Seller also simultaneously assigns or otherwise transfers its rights and obligations under the Call Option Deed in accordance with its terms. The Buyer Parent Company shall not assign or otherwise transfer any of its rights or obligations (including by way of merger, dissolution, consolidation or reorganisation) under this Deed of Guarantee and Indemnity.

12. MISCELLANEOUS

The provisions of clauses 6.6 - 6.8 (Waivers), 6.9 (Severance), 6.10 (Variation), 6.11 (Counterparts), 6.12 - 6.13 (Costs) and 6.15 - 6.16 (Successors in title and third parties), of the Call Option Deed shall apply mutatis mutandis to this Deed of Guarantee and Indemnity as if such clauses were set out in full in this Deed of Guarantee and Indemnity, provided that any reference to "this Agreement" shall be replaced with a reference to "this Deed of

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Guarantee and Indemnity" and any reference to "the Parties" shall be construed as a reference to the Seller and Buyer Parent Company.

13. NO ASSIGNMENT

No Party may assign, transfer, charge or deal in any way with the benefit of, or any of its rights under or interest in, this Agreement without the prior written consent of the other Party.

14. GOVERNING LAW

14.1 This Agreement and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this Agreement or its formation (including any non-contractual disputes or claims) (a "**Dispute**") shall be governed by and construed in accordance with English law.

14.2 Any Dispute shall be subject to the exclusive jurisdiction of the English courts.

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IN WITNESS WHEREOF each of the Buyer Parent Company and the Seller have executed and delivered this Deed of Guarantee and Indemnity as a deed the day and year first above written.

Executed and delivered as a deed by

ENQUEST PLC

)
) Director
)
)
Director/Secretary/Witness

Executed and delivered as a deed by

**BP EXPLORATION OPERATING COMPANY
LIMITED**

)
)
) Director
)
)
Director/Secretary/Witness