

**LETTER OF  
REPRESENTATIONS AND WARRANTIES**

**(BARANAN BLOCK)**

**(MURPHY)**

**To:** THE GOVERNMENT OF THE KURDISTAN REGION OF IRAQ (the "Government")

**By:** MURPHY BARANAN OIL CO., LTD., a corporation established and existing under the laws of the Commonwealth of Bahamas, whose registered office is at Ocean Centre, Montague Foreshore East Bay Street, P.O. Box 55-19084, Nassau (the "Company");

and

MURPHY OIL CORPORATION ("MOC"), a Delaware (United States of America) corporation.

**Date:** 26 July 2011

This Letter of Representations and Warranties (this "Letter") is provided by the Company and MOC to the Government (a) as an inducement for the Government to enter into the TPI Assignment, Novation and First Amendment Agreement (the "TPI Assignment") between the Company, Talisman (K9) ("Talisman") in respect of a Production Sharing Contract between the Government and Talisman for the Baranan contract area (the "Contract") and (b) in respect of the Guarantee of MOC and Talisman Energy Inc. (the "Guarantee") in favour of the Government. The Company and MOC acknowledge that the Government is relying upon each of the representations and warranties made in this Letter in entering into the TPI Assignment and accepting the Guarantee.

**1. DEFINITIONS; INTERPRETATION; REPETITION**

1.1 As used in this Letter:

"Affiliate" means in relation to any other Person:

- (a) if the person is a subsidiary of another company, such Person's ultimate holding company and any subsidiary (other than the Person itself) of such person's ultimate holding company; or
- (b) if such person is not a subsidiary of another company, any subsidiary of such Person.

For the purpose of this definition: (a) "holding company" and "subsidiary" have the meanings given to those expressions in Section 1159 of the Companies Act 2006; and (b) in relation to the Company, every MOC Group Member is an Affiliate of the Company.

"Company" is defined in the introductory clause.

"Contract" is defined in the introductory clause.

"Government" is defined in the preamble.

"**Guarantee**" is defined in the introductory clause.

"**Letter**" is defined in the introductory clause.

"**Person**" means an individual or other entity (legal or otherwise), including a corporation, joint stock company, limited liability company, partnership or joint venture.

"**MOC**" is defined in the preamble.

"**MOC Group**" means in relation to the Company, the group of companies comprising MOC and all direct and indirect Affiliates of MOC.

"**MOC Group Member**" means a constituent of the MOC Group.

"**Prescribed Person**" means a public official (i.e., any person holding a legislative, administrative or judicial office, including any person employed by or acting on behalf of the Government) or any political party or political party official or candidate for office in the Kurdistan Region or Iraq.

"**TPI Assignment**" is defined in the introductory clause.

- 1.2 The representations set out in clauses 2 and 4 of this Letter are made on the date of this Letter, the date of the Guarantee, and the date of the TPI Assignment.
- 1.3 No representations and warranties are made in respect of the laws of the Kurdistan Region of Iraq or of the Republic of Iraq or the actions or inactions of any governmental authority in Iraq.
- 1.4 This Letter will have no legal effect unless the Government, Talisman, and the Company enter into the TPI Assignment.

## **2. REPRESENTATIONS OF COMPANY AND MOC**

The Company and MOC each represent to the Government:

- 2.1 The Company has been duly incorporated and is validly existing as a corporation under the laws of the Commonwealth of the Bahamas.
- 2.2 The Company is a wholly-owned subsidiary of Murphy Exploration & Production Company – International, a Delaware (United States of America) corporation; which in turn is a wholly-owned subsidiary of Murphy Exploration & Production Company, a Delaware (United States of America) corporation; which in turn is a wholly-owned subsidiary of MOC.
- 2.3 The Company has the corporate power and corporate authority under its articles of association to own its properties and assets and to enter into and perform the TPI Assignment and the Contract.
- 2.4 The execution, delivery, and performance by Company of the TPI Assignment have been duly authorised by all requisite corporate action on the part of the Company.
- 2.5 The choice of the laws of England as the law governing the TPI Assignment and the Contract is valid and binding upon the Company under the laws of the Commonwealth of the Bahamas, insofar as the laws of the

- Commonwealth of the Bahamas are applicable, and under English law. When duly and properly signed and delivered by both the Company and the Government, the TPI Assignment and the Contract will constitute the legal, valid, and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, subject to such exceptions as may exist under applicable law.
- 2.6 Neither (i) the signing and delivery by the Company of the TPI Assignment, nor (ii) the performance by the Company of its contractual obligations under the TPI Assignment and the Contract, violate or conflict (or will violate or conflict) with: (a) the Company's articles of association, (b) the provisions of any applicable law of the Commonwealth of the Bahamas, (c) the provisions of any agreement or instrument to which the Company is a party, or (d) any order, judgment, or decree of any court or governmental authority in any jurisdiction which is expressed to be binding on the Company.
- 2.7 The signing and performance of the TPI Assignment by the Company does not require any order, consent, permit, or approval of any governmental authority with competent jurisdiction over the Company.
- 2.8 The Company has not passed a resolution to voluntarily dissolve or merge. No petition has been presented by a court for the bankruptcy or moratorium of payment of the Company. No receiver, trustee, administrator, or similar officer has been appointed in respect of the Company or its assets, and no decision has been taken to dissolve the Company involuntarily.
- 2.9 There are no actions, suits, proceedings, or investigations pending or, to its knowledge, threatened, against the Company before any court, arbitral tribunal, or any governmental body that could impair the Company's ability to perform its obligations under the TPI Assignment or the Contract.
- 2.10 The Company is not in violation or default with respect to any order, decree, writ, or injunction of any court, arbitral tribunal, or governmental body that could impair its ability to perform its obligations under the TPI Assignment or the Contract.
- 2.11 With respect to the TPI Assignment or the Contract, neither the Company, nor any other MOC Group Member, and no other Person acting on behalf of the Company or any MOC Group Member, has in any such case:
- (a) made, offered, or authorised (and has not agreed to make and does not expect will be made) any payment, gift, promise, or other advantage, whether directly or through any other Person, to or for the use or benefit of any Prescribed Person; where
  - (b) such payment, gift, promise or advantage violates (assuming the foregoing are applicable to the Company or a MOC Group Member, whether or not actually applicable or in effect):
    - (1) the Foreign Corrupt Practices Act of 1977 (Pub. L. No. 95-213, §§101-104) of the United States of America, as amended;

- (2) the laws of the Kurdistan Region or of the Republic of Iraq;
  - (3) the laws of the Commonwealth of the Bahamas;
  - (4) the Bribery Act of 2010 (England); or
  - (5) the principles described in the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on 17 December 1997, which entered into force on 15 February 1999, and the Convention's Commentaries.
- 2.15 No shares, debt instruments, or revenues of the Company are (directly or indirectly) held (or are to be held pursuant to any agreement) or payable (directly or indirectly) to or for the benefit of any Prescribed Person, including any form of interest in the TPI Assignment, the Contract, or in relation to the TPI Assignment or the Contract.
- 2.16 None of the Company or any other MOC Group Member is or has been finally adjudged to be in violation of any law applicable to it relating to terrorism or money laundering.
- 2.17 Neither the Company, nor any other MOC Group Member is a party to any agreement, howsoever characterised, or committed to enter into any such agreement, with any broker, finder, facilitator, or other intermediary in respect of the TPI Assignment or the Contract.
- 2.18 No representation by the Company or MOC contained in this Letter contains any untrue statement of material fact or omits to state a material fact necessary to make such representation not misleading.
- 2.19 In entering into the TPI Assignment, neither the Company nor any MOC Group Member is or will be relying upon any representation or warranty of the Government except as set forth in the TPI Assignment. The Company and MOC each acknowledge that the Government has made no representation or warranty to the Company, any MOC Group Member, or any Person acting on behalf of the Company or any MOC Group Member, except as set forth in the TPI Assignment.

### **3. WARRANTIES**

The Company and MOC each warrant to the Government that the Company has, or will have when needed from MOC Group Members, the technical, financial, and managerial capability to perform its obligations under the Contract.

### **4. INDIVIDUAL REPRESENTATIONS OF MOC**

MOC represents to the Government:

- 4.1 MOC (a) is a corporation organized under the laws of the State of Delaware (United States of America) and (b) has the corporate power and corporate authority to own its assets and properties and to enter into and perform the Guarantee.

- 4.2 Shares of MOC are listed and traded on the New York Stock Exchange. The most recent 10-K (for its fiscal year 2009) and 10-Q filings and other reports made by MOC with the Securities and Exchange Commission of the United States of America are available at [www.murphyoilcorp.com](http://www.murphyoilcorp.com).
- 4.3 MOC and MOC Group Members have a record of commitment to the Ten Principles of the Global Compact, launched by the United Nations on 26 July 2000.
- 4.4 No MOC Group Member is barred from receiving contracts by any governmental authority in any country.
- 4.5 The execution, delivery, and performance by MOC of the Guarantee have been duly authorised by all requisite corporate action on the part of MOC.
- 4.6 When duly and properly signed and delivered by MOC, the Guarantee will constitute the legal, valid, and binding obligation of MOC, enforceable against MOC in accordance with its terms, subject to such exceptions as may exist under applicable Laws.
- 4.7 There are no actions, suits, proceedings, or investigations pending or, to its knowledge threatened against MOC before any court, arbitral tribunal, or any governmental body that could materially impair its ability to perform its obligations under the Guarantee.
- 4.8 MOC has no knowledge of any violation or default with respect to any order, decree, writ, or injunction of any court, arbitral tribunal, or any governmental body that could materially and adversely impair its ability to perform its obligations under the Guarantee.
- 4.9 The signing and delivery of the Guarantee will not violate or result in a default under any agreement or other instrument binding upon MOC or its assets, or give rise to any right or claim that could materially impair its ability to perform its obligations under the Guarantee.

## 5. RELIANCE

The Government may rely on the representations set forth in this Letter whether or not the Government has information or belief that any representation is incorrect in any respect when made or repeated regardless of any investigation conducted by or on behalf of the Government.

## 6. MERGER

This Letter contains all of the representations and warranties of the Company and MOC in respect of the TPI Assignment and the Guarantee. All prior negotiations and agreements between the Government, the Company, and MOC on or related to the representations and warranties contained in this Letter are expressly merged into and superseded by this Letter. The Government is not entitled to rely upon any representation or warranty of the Company or of MOC, except for those expressly set forth in this Letter, in the TPI Assignment, or any other agreement or document signed and delivered by the Company or MOC, as applicable, contemporaneously or after the date of this Letter.

**7. GOVERNING LAW; DISPUTES; NO THIRD PARTY RIGHTS**

- 7.1 The Letter is governed by English law.
- 7.2 Neither the Company nor MOC intend that any Person other than the Government and its advisors may rely on all or any part of this Letter. Neither the Company nor MOC intend that any part of this Letter is enforceable solely by virtue of the Contracts (Rights of Third Parties) Act of 1999 by any Person other than the Government.

**8. COUNTERPARTS**

This Letter may be delivered by the Company and MOC in counterparts, each of which will constitute an original, and both of which, collectively, constitute only one Letter. The signatures of the Company, MOC, and the Government need not appear on the same counterpart. The delivery by email of an executed counterpart signature page in PDF, JPEG, or equivalent electronic format by the Company and MOC to the Government is as effective as executing and delivering this Letter in the presence of the Government. The acceptance of the Government is not required to make this Letter effective, and the Government may deliver a signed counterpart signature page in PDF, JPEG, or equivalent electronic format, which will be as effective to establish receipt as if the Government accepted receipt in the presence of the Company and MOC.

*[Signature page follows.]*

MURPHY BARANAN OIL CO. LTD.

By: 

Name:

Its:

JUAN HANCHERA  
VICE PRESIDENT

MURPHY OIL CORPORATION

By: 

Name:

Its:

ROGER W JENKINS  
EXECUTIVE VICE PRESIDENT

Received:

For and on behalf of the GOVERNMENT OF THE KURDISTAN REGION OF IRAQ

By: .....

Ashti Hawrami

Minister of Natural Resources

Kurdistan Regional Government

On behalf of the Ministry of Natural Resources in the  
Kurdistan Region

[Signature page to Letter of Representations and Warranties by Murphy Baranan Oil Co.,  
Ltd. and Murphy Oil Corporation re: Baranan]

**MURPHY BARANAN OIL CO. LTD.**

By: .....  
Name:  
Its:

**MURPHY OIL CORPORATION**

By: .....  
Name:  
Its:

Received:

For and on behalf of the **GOVERNMENT OF THE KURDISTAN REGION OF IRAQ**

By: .....  
Ashti Hawrami  
Minister of Natural Resources  
Kurdistan Regional Government  
On behalf of the **Ministry of Natural Resources in the  
Kurdistan Region**

*[Signature page to Letter of Representations and Warranties by Murphy Baranan Oil Co.,  
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