

FIRST AMENDMENT AGREEMENT

relating to

the Production Sharing Contract for the Rovi Block

between

THE KURDISTAN REGIONAL GOVERNMENT OF IRAQ

and

RELIANCE EXPLORATION & PRODUCTION DMCC

FIRST AMENDMENT AGREEMENT

This agreement (the "Agreement") is entered into as of 1 August 2010 by and between:

- (1) **THE KURDISTAN REGIONAL GOVERNMENT OF IRAQ** (the "Government"); and
- (2) **RELIANCE EXPLORATION & PRODUCTION DMCC**, a limited liability company established and existing under the laws of the United Arab Emirates, whose registered office is at 1-4, 1st Floor, Al Falasi Residence, Center Point Apartment Building, P.O. Box 125307, Dubai, United Arab Emirates ("Reliance")

(each a "Party" and collectively, the "Parties").

RECITALS

- (A) The Government and Reliance are parties to a Production Sharing Contract dated 22 December 2006, as amended and restated on 6 November 2007, in respect of the Rovi Block in the Kurdistan Region of Iraq (the "Contract").
- (B) The Parties wish to render void the Government's exercise of the Option of Third Party Participation pursuant to a letter to Reliance dated 18 July 2008 (the "TPI Nomination Letter") in favor of KEPCO, as Third Party Participant in the amount of 20%.
- (C) The Parties further wish to amend the Contract to extend the period during which the Government may exercise the Option of Third Party Participation to enable the Government to nominate a Third Party Participant. The Parties are further willing to agree to such amendments of the Contract as are necessary to extend the period during which the Option of Third Party Participation may be exercised to 30 December 2010.

1. DEFINITIONS AND INTERPRETATION

- 1.1** Unless otherwise defined herein (including the recitals), capitalised terms have the meanings ascribed to them in the Contract (before amendment by this Agreement). As used in this Agreement:

"Agreement" is defined in the preamble.

"Agreement Date" is defined in the preamble.

"Claim" is defined in Clause 3.4.

“Contract” is defined in Recital (A).

“Government” is defined in the preamble.

“Reliance” is defined in the preamble.

“TPI Nomination Letter” is defined in Recital (B).

1.2 Descriptive headings in this Agreement are for convenience only, do not constitute a part of this Agreement, and do not affect the construction or interpretation of this Agreement. A reference to a “Clause” is a reference to a clause of this Agreement. A reference to a “participating interest” means an undivided interest in the Contract and in the Petroleum Operations in respect of the entire Contract Area.

1.3 Nothing in this Agreement shall be construed to impair the entitlement of the Government to exercise the Option of Government Participation in accordance with Article 4.1 of the Contract.

2. AMENDMENTS – EXTENSION OF OPTION OF THIRD PARTY PARTICIPATION

2.1 The Contract is amended by Reliance and the Government as of the Agreement Date as provided in this Clause 2.

2.2 Article 4.9 is amended:

2.2.1 by deleting in the first paragraph “the date twelve (12) months following the Effective Date” and replacing it with: “30 December 2010”; and

2.2.2 by deleting in the second paragraph “Before the expiry of a period of eight (8) months (such period commencing upon the Effective Date) the Parties shall have caused to have commenced, and prior to the expiry of the twelve (12) month period following the Effective Date, have fully completed an investigation carried out into such nominated company” and replacing it with:

“The Parties shall conduct an investigation into such nominated company”.

3. VOIDING OF TPI NOMINATION LETTER

3.1 The Parties agree that the TPI Nomination Letter and the nomination of KEPCO as a Third Party Participant as set out in the TPI Nomination Letter shall be deemed for all purposes to be withdrawn and void *ab initio* and without any effect under the Contract or otherwise.

3.2 The Government shall cause KEPCO never to make any Claim against Reliance or any other Person arising out of or relating to the purported nomination of such Public Company as a Third Party Participant pursuant to the TPI Nomination Letter.

3.3 Subject to clause 3.2, Reliance waives and releases the KEPCO from any Claims that Reliance may have against the Government and KEPCO arising out of or relating to the nomination of KEPCO as the Third Party Participant pursuant to the TPI

Nomination Letter, whether known or unknown. The waiver and release includes any Claims arising out of or related to any cash calls made by Reliance to KEPCO.

- 3.4 For purposes of this Clause 3, “**Claim**” means any liability, loss, claim, counterclaim, lien, charge, cost and expense, interest, award, judgment, damages, diminution in value, fees or other charge.

4. REPRESENTATIONS

4.1 Reliance represents:

- 4.1.1 Its entry into and performance of this Agreement have been authorised by all necessary company action.
- 4.1.2 This Agreement constitutes a valid, legal, and binding agreement of it.
- 4.1.3 It has received all authorisations and consents required under the law under which it is organised that are or will be necessary for the entry into and performance by it, and the validity and enforceability against it, of this Agreement.
- 4.1.4 Except as provided in the next sentence, there is no law or agreement to which it is a party that conflicts with, prevents entry into, delivery, and performance by it of, or calls into question the validity, legality and enforceability against it of, this Agreement. No representation is made in respect of the laws of the Kurdistan Region or Iraq.
- 4.1.5 It is not a party to any administrative or judicial proceeding, litigation, or arbitration that could affect the validity or enforceability of this Agreement as to it.
- 4.1.6 Neither it nor any of its Affiliates has made, offered, or authorised (and has not agreed to make and does not expect will be made), with respect to the matters which are the subject of this Agreement or the Contract, any payment, gift, promise or other advantage, whether directly or through any other Person, to or for the use or benefit of any public official (*i.e.*, any person holding a legislative, administrative or judicial office, including any person employed by or acting on behalf of the Government) or any political party or political party official or candidate for office, where such payment, gift, promise or advantage violate (i) the laws of the Kurdistan Region or of Iraq, (ii) the laws of the place of incorporation or its principal place of business, or (iii) 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. No part of its participating interest under (including any profits it may derive in respect of) the Contract is held (or to be held pursuant to this Agreement) or payable to, directly or indirectly, to or for the benefit (directly or indirectly) of any public official or any political party or political party official or candidate for office of the Kurdistan Region or Federal Republic of Iraq.

- 4.2 The Government represents that KEPCO has no claims against Reliance in, arising out of, or relating to the Contract or Petroleum Operations in the Contract Area.

5. GENERAL PROVISIONS

- 5.1 Articles 36 (*Information and Confidentiality*), 39 (*Assignment and Change of Control*), 41 (*Waiver of Sovereign Immunity*), 42.1 (*Negotiation, Mediation and Arbitration*), and 44 (*Notices*) of the Contract apply to this Agreement. Unless otherwise specifically deleted, amended or otherwise changed in this Agreement, all other terms and conditions of the Contract shall remain valid, enforceable and in full effect.
- 5.2 Except in respect of KEPCO under clause 3.3, this Agreement does not create any right under the Contracts (Rights of Third Parties) Act 1999 that is enforceable by any Person who is not a Party. The Parties may rescind or vary the terms of this Agreement without notice to or the consent of any third party, including in respect of any third party rights under Clauses 3.3.
- 5.3 Except for the Contract, this Agreement constitutes the final, complete and exclusive expression of the Parties' agreement on the matters contained in this Agreement. All prior and contemporaneous negotiations and agreements between the Parties on the matters contained in this Agreement are expressly merged into and superseded by this Agreement. The provisions of this Agreement may not be explained, supplemented or qualified through evidence of trade usage or a prior course of dealings. In entering into this Agreement, neither Party has relied upon any statement, representation, warranty or agreement of the other party except for those expressly contained in this Agreement. There is no condition precedent to the effectiveness of this Agreement, and there are no representations or warranties, in each case other than those expressly stated in this Agreement. Nothing in this Agreement will limit or exclude a Party's liability arising as a result of fraud or fraudulent concealment.
- 5.4 Each Party shall timely exercise all reasonable endeavours to take, or cause to be taken, all actions necessary or desirable to consummate and make effective the transactions this Agreement contemplates.
- 5.5 The Parties may amend this Agreement only by an agreement of the Parties that identifies itself as an amendment to this Agreement. The Parties may waive any provision in this Agreement only by a writing signed by the Party against whom the waiver is sought to be enforced. Any amendment, waiver, or consent signed by the Minister of Natural Resources is binding on the Government. No failure or delay in exercising any right or remedy, or in requiring the satisfaction of any condition, under this Agreement by a Party, and no act, omission or course of dealing between any of the Parties, will operate as a waiver or estoppel of any right, remedy, or condition. A waiver made in writing on one occasion will be effective only in that instance and only for the purpose stated. A waiver once given is not to be construed as a waiver on any future occasion. No waiver or amendment in respect of this Agreement will constitute a waiver or amendment of any other agreement between the Parties.

- 5.6 The Parties may execute this Agreement in two counterparts, each of which constitutes an original, and all of which, collectively, constitute only one agreement. The signatures of both Parties need not appear on the same counterpart, and delivery of an executed counterpart signature page by facsimile or electronic scan is as effective as executing and delivering this Agreement in the presence of the other Party. This Agreement is effective upon delivery of one executed counterpart from each Party to the other Party.
- 5.7 This Agreement (and any non-contractual obligations arising out of or in connection with it) is governed by English law.

[Signature page follows.]

For and on behalf of the **Kurdistan Regional Government of Iraq:**

Prime Minister
Kurdistan Regional Government
**On behalf of the Regional Council
for the Oil and Gas Affairs
of the Kurdistan Region – Iraq**

Minister of Natural Resources
Kurdistan Regional Government
**On behalf of the Ministry of Natural
Resources in the Kurdistan Region**

Signature: 
Barham Salih

Signature: 
Ashti Hawrami

For and on behalf of **Reliance Exploration & Production DMCC:**

Signature:.....
Title:
Name:

[Signature page to First Amendment Agreement – Rovi]

For and on behalf of the **Kurdistan Regional Government of Iraq:**


Prime Minister
Kurdistan Regional Government
**On behalf of the Regional Council
for the Oil and Gas Affairs
of the Kurdistan Region – Iraq**

Minister of Natural Resources
Kurdistan Regional Government
**On behalf of the Ministry of Natural
Resources in the Kurdistan Region**

Signature:.....
Barham Salih

Signature:.....
Ashti Hawrami

For and on behalf of **Reliance Exploration & Production DMCC:**

Signature:..... 
Title: **Head - Commercial**
Name: **(J. B. BANSAH)**

[Signature page to First Amendment Agreement – Rovi]