

Execution Copy

ASSIGNMENT, NOVATION, AND FIRST AMENDMENT AGREEMENT

relating to

the extension of an assignment option, the assignment of an interest under, and amendments to, the
Production Sharing Contract relating to the Sindi/Amedi Block

between

THE KURDISTAN REGIONAL GOVERNMENT OF IRAQ

and

PERENCO MIDDLE EAST LIMITED

and

OP SINDI AMEDI KURDISTAN LIMITED

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ASSIGNMENT, NOVATION, AND FIRST AMENDMENT AGREEMENT

This agreement (the "**Agreement**") is entered into as of 24 August 2011 (the "**Agreement Date**") between:

- (1) **THE KURDISTAN REGIONAL GOVERNMENT OF IRAQ** (the "**Government**");
- (2) **PERENCO MIDDLE EAST LIMITED** (formerly known as Perenco Kurdistan Limited), a company established and existing under the laws of the Bahamas, whose registered office is at Lyford Manor, Lyford Cay, West Bay Street, PO Box N-10051, Nassau, Bahamas ("**Perenco**"); and
- (3) **OP SINDI AMEDI KURDISTAN LIMITED**, a company established and existing under the laws of the British Virgin Islands, whose registered office is at Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands ("**Oryx**");

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

RECITALS

- (A) The Government and Perenco are parties to a Production Sharing Contract dated 2 October 2007 in respect of the Sindi/Amedi Block in the Kurdistan Region of Iraq (the "**Contract**").

Voiding of KEPCO nomination

- (B) The Government and Perenco wish to render void the Government's exercise of the Option of Third Party Participation (as such term is defined in the Contract) pursuant to a letter to Perenco dated 18 July 2008 (the "**TPI Nomination Letter**") in favor of KEPCO, as Third Party Participant (as such term is defined in the Contract) in the amount of 25%.

Extension of TPI option period

- (C) The Government and Perenco 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 Government and Perenco are 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 31 December 2011.

Assignment of part of Perenco interest to Oryx

- (D) Perenco wishes to assign a 45% participating interest in the Contract to Oryx, and Oryx wishes to accept the assignment of a 45% participating interest in the Contract (the "**Assigned Interest**").

- (E) Oryx has provided the Government with a letter of representations and warranties (the "**Oryx Letter of Representations and Warranties**") dated on the Agreement Date.
- (F) Perenco has provided the Government with a letter of representations and warranties (the "**Perenco Letter of Representations and Warranties**") dated on the Agreement Date.
- (G) Oryx and Perenco have delivered to the Government a joint and several guarantee (the "**Guarantee**"), dated on the Agreement Date, in the form as set out in Annex 4, from The Addax and Oryx Group Ltd and Perenco S.A. in respect of the Minimum Financial Commitment for the First Sub-Period.
- (H) The Government is willing to consent to such assignment by execution of this Agreement.
- (I) The Parties wish to further amend the Contract to confirm Oryx as a Contractor Entity under the Contract.

Perenco and Oryx interests subject to TPI and Government Interest

- (J) Upon the assignment of the Assigned Interest and novation of the Contract in accordance with this Agreement, Perenco will have a 55% participating interest and Oryx a 45% participating interest, subject to (a) the Government's right to exercise the Option of Third Party Participation; and (b) the Government's right to exercise the Government Interest.
- (K) The Parties acknowledge that following an exercise by the Government of the Option of Third Party Participation of the maximum participation percentage of 25%, and prior to the exercise by the Government of the Option of Government Participation (as such term is defined in the Contract), Perenco (including its successors and assignees) will have a 41.25% participating interest, Oryx (including its successors and assignees) a 33.75% participating interest, and the Third Party Participant will have a 25% participating interest.
- (L) The Parties acknowledge that following an exercise by the Government of the Option of Government Participation of the maximum participation percentage of 25%, after an exercise by the Government of the Option of Third Party Participation of the maximum participation percentage of 25%, Perenco (including its successors and assignees) will have a 30.9375% participating interest, Oryx (including its successors and assignees) a 25.3125% participating interest, the Third Party Participant will have an 18.75% participating interest, and the Public Company (as such term is defined in the Contract), as holder of the Government Interest, will have a 25% participating interest in the Contract.

Other amendments: EITI

- (M) The Parties wish to make such further amendments to the Contract as may be appropriate.
- (N) The Parties affirm their ongoing commitment and adherence to the Principles and Criteria of the Extractive Industries Transparency Initiative (EITI).

I. DEFINITIONS AND INTERPRETATION

I.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.

“**Assigned Interest**” is defined in Recital (D).

“**Completion Date**” is defined in Clause 10.3.

“**Contract**” is defined in Recital (A).

“**Government**” is defined in the preamble.

“**Guarantee**” is defined in Recital (G).

“**KEPCO**” means the Kurdistan Exploration and Production Company.

“**Notice**” is defined in Clause 8.

“**participating interest**” means, as to any Contractor Entity under the Contract, the undivided interest of such Contractor Entity expressed as a percentage of the total interest of all Contractor Entities in the rights and obligations of the Contractor derived from the Contract.

“**Oryx**” is defined in the preamble.

“**Oryx Letter of Representations and Warranties**” is defined in Recital (E).

“**Other Agreements**” is defined in Clause 10.7.

“**Party**” and “**Parties**” are defined in the preamble.

“**Perenco**” is defined in the preamble.

“**Perenco Letter of Representations and Warranties**” is defined in Recital (F).

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

- 1.2 The 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.
- 1.3 Nothing in this Agreement shall be construed to impair the entitlement of the Government to exercise the Option of Third Party Participation in accordance with Article 4.8 of the Contract, or the Option of Government Participation in accordance with Article 4.1 of the Contract.
- 1.4 The Contract shall continue in full force and effect and, as and from the Agreement Date, its terms have only changed to the extent set out in this Agreement.

2. VOIDING OF TPI NOMINATION LETTER

- 2.1 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.
- 2.2 The Government shall cause KEPCO never to make any Claim against Perenco 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.
- 2.3 Subject to Clause 2.2, Perenco waives and releases KEPCO from any Claims that Perenco 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 Perenco to KEPCO.
- 2.4 For purposes of this Clause 2, “Claim” means any liability, loss, claim, counterclaim, lien, charge, cost and expense, interest, award, judgment, damages, diminution in value, fees or other charge.

3. AMENDMENTS TO CONTRACT – APPLICABLE LAW COMPLIANCE AND EXTENSION OF OPTION

- 3.1 The Contract is amended by the Government and Perenco as provided in this Clause 3.

Applicable Law

- 3.2 A new definition is added in Article 1.1, in the appropriate alphabetical order, as follows:

“**Applicable Law** means, as of any time of determination, Kurdistan Region Law and federal Laws of Iraq recognised by the Government as applicable in the Kurdistan Region.”

3.3 A new Article 2.9 is added:

"Each **CONTRACTOR** Entity shall at all times comply, and procure that each Subcontractor complies, with the Kurdistan Region Oil and Gas Law and all other Applicable Law. No provision of this Contract will: (a) excuse the **CONTRACTOR** or a **CONTRACTOR** Entity or any Subcontractor from compliance with Applicable Law, or (b) impair any right or privilege of the **GOVERNMENT** under Applicable Law."

Extension of Option

3.4 Article 4.9 is amended by deleting in the first paragraph "the date eight (8) months following the Effective Date" and replacing it with "31 December 2011".

4. ASSIGNMENT AND NOVATION

4.1 Perenco assigns and novates the Assigned Interest and all of its rights and obligations in relation to the Assigned Interest arising on or after the Completion Date to Oryx, on and subject to the terms of this Agreement. Oryx hereby accepts such assignment of the Assigned Interest and such rights and obligations on and subject to the terms of this Agreement.

4.2 As a consequence of Clause 4.1, on and from the Completion Date:

- (a) the entire Assigned Interest is assigned and novated to Oryx;
- (b) Oryx is a Party and a Contractor Entity with a 45% participating interest together with all rights, duties, obligations and liabilities in respect of the Assigned Interest;
- (c) Perenco is a Contractor Entity with a 55% participating interest; and
- (d) except as specifically provided otherwise in the Contract, Oryx is jointly and severally obligated with each other Contractor Entity to perform all of the obligations of the Contractor under the Contract as a Contractor Entity as if Oryx had been a Contractor Entity on and from the Effective Date.

5. PETROLEUM COSTS

Without limiting Oryx's joint and several obligations under the Contract as a Contractor Entity in respect of the obligations of the Contractor in accordance with the Contract, Oryx shall pay its participating interest share of Petroleum Costs (and other amounts for which it is liable under the Contract) on and from the Completion Date in accordance with the Contract and the Joint Operating Agreement to be entered into between the Contractor Entities.

6. AMENDMENTS TO CONTRACT – ASSIGNMENT TO ORYX

6.1 The Contract is amended as provided in this Clause 6.

Recitals

6.2 The portion of the first paragraph of the Contract following the word “BETWEEN” setting out the parties shall be deleted and restated as follows:

“The **KURDISTAN REGIONAL GOVERNMENT OF IRAQ** (the “**GOVERNMENT**”);

AND

PERENCO MIDDLE EAST LIMITED (formerly known as Perenco Kurdistan Limited), a company established and existing under the laws of the Bahamas, whose registered office is at Lyford Manor, Lyford Cay, West Bay Street, PO Box N-10051, Nassau, Bahamas (“**Perenco**”);

AND

OP SINDI AMEDI KURDISTAN LIMITED, a company established and existing under the laws of the British Virgin Islands, whose registered office is at Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands (“**Oryx**”);

(hereafter individually referred to as a “**Party**” and collectively as the “**Parties**”).”

6.3 The recitals are amended:

(a) by adding a new paragraph (E):

“(E) This Contract was amended pursuant to the First Amendment Agreement between the Parties dated 24 August 2011, and”; and

(b) by renaming the existing paragraph (E) paragraph (F).

Definitions

6.4 In Article 1.1, the definitions of “**CONTRACTOR**” and “**CONTRACTOR Entity**” are deleted in their entirety and restated as follows:

“**CONTRACTOR** means, individually, each **CONTRACTOR Entity** and, jointly, all **CONTRACTOR Entities**.

CONTRACTOR Entity means, as at any time of determination, a Party to this Contract other than the **GOVERNMENT** (except in its capacity as the Public

Company holder of the Government Interest). At any time when there is only one entity constituting the **CONTRACTOR**, any reference to “the entities constituting the **CONTRACTOR**” or the “**CONTRACTOR** Entities” or similar reference, shall be construed as “the entity constituting the **CONTRACTOR**”. As of the Effective Date, Perenco and Oryx are the only **CONTRACTOR** Entities and own undivided interests in the Contract in the following percentages:

Perenco	fifty-five per cent (55%)
Oryx	forty-five per cent (45%)

The respective interests in the Contract owned by Perenco and Oryx are subject to dilution in accordance with Articles 4.1 and 4.8 of the Contract.”

- 6.5 New definitions are added in Article 1.1, in the appropriate alphabetical order, as follows:

“First Amendment Agreement means the Assignment, Novation, and First Amendment Agreement between the **GOVERNMENT**, Perenco and Oryx dated 24 August 2011.

First Sub-Period is defined in Article 6.2(a).

notice is defined in Article 44.1.

Oryx is defined in the preamble.

Perenco is defined in the preamble.

Second Sub-Period is defined in Article 6.2(b).”

- 6.6 In Article 1.1, the definition of “Joint Operating Agreement” is deleted in its entirety and restated:

“Joint Operating Agreement means the agreement executed by the **CONTRACTOR** Entities for the purpose of establishing their rights and obligations, *inter se*, as **CONTRACTOR** Entities under the Contract, which agreement shall be: (a) consistent with prudent international petroleum industry practice, and (b) consistent with the provisions of this Contract.”

- 6.7 (a) Article 4.14 is deleted in its entirety and restated:

“4.14 The **CONTRACTOR** Entities, or any of them, shall not enter into any Joint Operating Agreement in respect of this Contract except if the terms of such Joint Operating Agreement have been approved by the **GOVERNMENT**, are in compliance with Applicable Law as of the date of the approval by the **GOVERNMENT**, and do not require the affirmative vote of **CONTRACTOR**

Entities holding more than sixty per cent (60%) of the participating interest in the Contract for any decision of any operating committee established under such Joint Operating Agreement.”

(b) References to Article 4.14 (a) and (b) in Articles 4.7 and 4.12(e) are replaced in each case by a reference to Article 4.14.

6.8 The contents of Article 9 are deleted in their entirety and restated:

First Sub-Period

9.1 Concurrently with the signing of this Contract, the CONTRACTOR shall cause to be delivered to the GOVERNMENT a joint and several payment guarantee of the ultimate parent companies of each CONTRACTOR Entity.

9.1.1 Such guarantee must be (a) in form and content acceptable to the GOVERNMENT and (b) in respect of the CONTRACTOR’s payment obligation pursuant to Article 10.2(d).

Second Sub-Period

9.2 Not later than sixty (60) days after the first day of the Second Sub-Period, the CONTRACTOR shall provide the GOVERNMENT, unless the GOVERNMENT waives this Article 9.2 pursuant to notice received by each CONTRACTOR Entity within thirty (30) days following start of the Second Sub-Period, with a joint and several guarantee of the ultimate parent companies of each CONTRACTOR Entity, in form and content as set forth in Annex C and otherwise acceptable to the GOVERNMENT, with respect to the CONTRACTOR’s payment obligations pursuant to Article 10.3(b).

9.2.1 If a CONTRACTOR Entity does not have an ultimate parent company, the CONTRACTOR Entity shall cause a controlling beneficial shareholder or other Person with sufficient credit quality in the opinion of the GOVERNMENT and otherwise acceptable to the GOVERNMENT to be a party to such guarantee.

9.2.2 If the GOVERNMENT does not receive such guarantee within sixty (60) days following start of the Second Sub-Period as provided in this Article 9.2, the GOVERNMENT may notify the CONTRACTOR to suspend all operations in the Contract Area until the requirements of this Article 9.2 have been satisfied.

Accession

9.3 In the event of an Assignment by a **CONTRACTOR** Entity to a third party in accordance with Article 39, an ultimate parent company of such Assignee acceptable to the **GOVERNMENT** must accede to the applicable guarantee, effective as of the effective date of the Assignment, as a condition precedent to the approval of the Assignment by the **GOVERNMENT**.

6.9 Annex C to the Contract is deleted in its entirety and restated as provided in Annex 4 attached to this Agreement.

6.10 The contents of Article 44 are deleted in their entirety and restated:

"44.1 A Party giving any notice or making any request, demand, or other communication to another Party (each a "notice") shall do so in writing, express the notice in English, address such notice as provided in Article 44.3, and use one of the following methods to deliver such notice, each of which, for purposes of this Contract is a writing:

- (a) personal delivery;
- (b) email; and
- (c) internationally recognised air courier, with all fees prepaid, and, in the case of any notice to the **GOVERNMENT**, with a reputable international air courier company with an establishment in Erbil in the Kurdistan Region.

44.2 Any notice or communication not provided in English is not valid unless acknowledged and accepted by the recipient.

44.3 Each Party shall address notices in respect of this Contract:

To the GOVERNMENT:

Attention: His Excellency the Minister of Natural Resources
Address: Ministry of Natural Resources
Kurdistan Regional Government
Erbil, Kurdistan, Iraq
Email: mnr@krgoil.com

To a CONTRACTOR Entity:

Perenco Middle East Limited

Address: Lyford Manor, Lyford Cay
West Bay Street
PO Box N-10051
Nassau, Bahamas
Attention: General Counsel
Email: rfox@uk.perenco.com

With a copy to:

Attention: General Counsel
Address: Perenco
10 Duke of York Square
London SW3 4LY
United Kingdom

Email: rfox@uk.perenco.com

OP Sindi Amedi Kurdistan Limited

Attention: Gert Triest, Director
Address: Kingston Chambers
PO Box 173
Road Town
Tortola
British Virgin Islands
Email: gert.triest@aog ltd.com

With a copy to:

Attention: Chief Financial Officer
Address: Oryx Petroleum Services SA
33 rue de la Synagogue
1204 Geneva
Switzerland
Email: craig.kelly@oryxpetroleum.com

44.4 A notice is effective only if the Party giving or making the notice has complied with this Article 44 and if the addressee has received the notice.

44.4.1 If a notice is delivered to the recipient in person, the notice will be considered received by the addressee by the date set forth in the signed receipt.

44.4.2 If a Party sends a notice by an internationally recognised air courier in accordance with this Article 44, the notice will be considered received by the addressee by the date set forth in the signed receipt.

44.4.3 If a Party sends a notice by email and the email transmission is followed by delivery of the notice by air courier in accordance with this Article 44 or is acknowledged by the recipient, the notice will be considered to have been delivered to the addressee when the email departed the gateway of the sender.

44.5 A Party may change its address as set forth in Article 44.2 by a notice to the other Party in accordance with this Article 44.”

7. REPRESENTATIONS

7.1 Oryx makes the representations and warranties it makes in the Oryx Letter of Representations and Warranties.

7.2 Perenco makes the representations and warranties it makes in the Perenco Letter of Representations and Warranties.

7.3 Oryx represents and warrants to Perenco:

- (a) Oryx has the financial and technical capability to perform its obligations under the Contract.
- (b) Oryx is in compliance with the standards and requirements of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (as may be amended from time to time).

7.4 Oryx represents to Perenco, and Perenco represents to Oryx and the Government:

- (a) Its entry into and performance of this Agreement has been authorised by all necessary company action.
- (b) It has all necessary power and authority to sign and perform this Agreement and the Contract.
- (c) This Agreement and the Contract constitute a legal, valid, and binding obligation of it.
- (d) It has received all authorisations and consents necessary for the entry into and performance by it, and the validity and enforceability against it, of this Agreement and the Contract.
- (e) Except as provided in the next sentence, there is no law applicable to it or an agreement to which it is a party which (i) conflicts with or prevents it from performing this Agreement and the Contract in accordance with its terms, or (ii) affects the validity and enforceability against it of this Agreement or the Contract in accordance with its terms. No representation is made by Perenco or Oryx in respect of the laws of the Kurdistan Region or the Republic of Iraq.

- (f) It is not a party to any administrative or judicial proceeding, litigation, or arbitration that could affect the validity or enforceability of this Agreement or the Contract as to it, or its ability to effect the transactions contemplated hereunder.

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

7.6 The Government and Perenco, each individually, represents to Oryx:

- (a) The Contract is in full force and effect and it is not in breach of any of its material obligations thereunder.
- (b) Except for the agreements set forth in Annex 1, there is no agreement in effect among the Government and Perenco that pertains to Petroleum Operations in the Contract Area.

8. NOTICES

A Party giving any notice or making any request, demand, or other communication (each a "Notice") to the Government, Perenco, or Oryx shall do so as provided in the Contract (as amended by this Agreement), and such Notice will be deemed sent or received as provided in the Contract.

9. ARBITRATION

Any dispute, claim, or controversy arising out of or in connection with this Agreement (including a dispute, claim or controversy relating to any non-contractual obligations arising out of or in connection with this Agreement) will be considered a "Dispute" under the Contract and shall be finally resolved by arbitration in accordance with the Contract.

10. GENERAL PROVISIONS

10.1 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 contemplated herein.

10.2 Except in respect of KEPCO under clause 2.3, this Agreement does not create any right under the Contracts (*Rights of Third Parties*) Act 1999 that is enforceable by any person that is not a Party. The Parties may rescind or vary the terms of this Agreement without notice to, or the consent of, any person that is not a Party.

- 10.3** All clauses of this Agreement are in force as of the Agreement Date, except for Clause 4 (*Assignment and Novation*), Clause 5 (*Petroleum Costs*), and Clause 6 (*Amendments to Contract – Assignment to Oryx*), which will come into force on the Completion Date. The completion requirements of each of the Government, Perenco and Oryx are set forth in Annex 2. The “**Completion Date**” means and will be the date set forth in a certificate of completion signed by the Minister of Natural Resources, Perenco and Oryx as set forth in Annex 3.
- 10.4** The Parties may amend this Agreement only by an agreement of the Parties that identifies itself as an amendment to this Agreement. A Party may waive any provision in this Agreement only by a writing signed by such Party. Any amendment, waiver, or consent signed by the Minister of Natural Resources of the Kurdistan Region 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 or consent made on one occasion will be effective only in that instance and only for the purpose stated. A waiver or consent once given is not to be construed as a waiver or consent on any future occasion. No waiver, amendment, or consent in respect of this Agreement will constitute a waiver, amendment, or consent of any other agreement between all or any of the Parties. The representations of a Party, including in the Oryx Letter of Representations and Warranties or the Perenco Letter of Representations and Warranties, are not affected or waived by reason of any investigation made by or on behalf of another Party (or any of their respective advisors) or by reason that such other Party (or any of their respective advisors) knew or should have known that any such representation might be inaccurate.
- 10.5** The Parties may sign this Agreement in counterparts, each of which constitutes an original, and all of which, collectively, constitute only one agreement. The signatures of all of the Parties need not appear on the same counterpart, and delivery of an executed counterpart signature page in PDF or JPEG form by email is as effective as executing and delivering this Agreement in the presence of the other Parties. This Agreement is effective upon delivery of one executed counterpart from each Party to each of the other Parties. In proving this Agreement, a Party must produce or account only for the executed counterpart of the Party to be charged.
- 10.6** This Agreement is binding on each Party and its successors and assigns.
- 10.7** This Agreement, the Oryx Letter of Representations and Warranties, the Perenco Letter of Representations and Warranties, and the Guarantee (the “**Other Agreements**”) constitute the final, complete, and exclusive expression of the Parties’ agreement on the matters contained in this Agreement. All other 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, no Party has relied upon any statement, representation, warranty, or agreement of any other Party, except for those expressly contained in this Agreement and the Other Agreements. There is no condition precedent to the effectiveness of this Agreement, and there are no representations or warranties, in each case except as expressly stated in this Agreement and the Other Agreements.

10.8 This Agreement shall be governed by English law.

{Signature page follows}

For and on behalf of **Pereneo Middle East Limited:**

Signature:.....*Jonathan Day*.....
Title:**ATTORNEY-IN-FACT**.....
Name:.....**JONATHAN DAY**.....

For and on behalf of **OP Sindi Amedi Kurdistan Limited:**

Signature.....
Title:
Name:.....

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

[Signature page to the Sindi/Amedi Assignment, Novation, and First Amendment Agreement.]


For and on behalf of **Perenco Middle East Limited:**

Signature.....

Title:

Name:.....

For and on behalf of **OP Sindi Amedi Kurdistan Limited:**

Signature..... 

Title: **DIRECTOR**.....

Name: **GERT TRIEST**.....



DIRECTOR

PETER AZOPARDI

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 Hawrani

[Signature page to the Sindi/Amedi Assignment, Novation, and First Amendment Agreement.]

For and on behalf of **Perenco Middle East Limited:**

Signature.....

Title:

Name:.....

For and on behalf of **OP Sindi Amedi Kurdistan Limited:**

Signature.....

Title:

Name:.....

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

Signature: 

Barham Salih

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

Signature: 

Ashti Hawrami

[Signature page to the Sindi/Amedi Assignment, Novation, and First Amendment Agreement.]

Assignment, Novation, and First Amendment Agreement – Sindi/Amedi

Annex 1

Agreements Pertaining to Contract Area

1. Production Sharing Contract dated 2 October 2007.
2. Assignment, Novation, and First Amendment Agreement among the Government, Perenco and Oryx dated 24 August 2011.

Annex 2

Completion Requirements

1. The completion requirements of the Government are:
 - (a) receipt of a fully executed copy of this Agreement;
 - (b) receipt of board resolutions and signing authorities from Perenco and Oryx in form and content reasonably satisfactory to the Government; and
 - (c) the Government is satisfied that each of the representations of Perenco and Oryx made to the Government are true and correct as of the Agreement Date and the Completion Date.

2. The completion requirements of Oryx are:
 - (a) receipt of a fully executed copy of this Agreement;
 - (b) receipt of board resolutions and signing authorities from Perenco in form and content reasonably satisfactory to Oryx; and
 - (c) Oryx is satisfied that each of the representations of the Government and Perenco are true and correct as of the Agreement Date and the Completion Date.

3. The completion requirements of Perenco are:
 - (a) receipt of a fully executed copy of this Agreement;
 - (b) receipt of board resolutions and signing authorities from Oryx in form and content reasonably satisfactory to Perenco; and
 - (c) Perenco is satisfied that each of the representations of Oryx and the Government made to Perenco are true and correct as of the Agreement Date and the Completion Date.

Annex 3

Form of Completion Certificate

COMPLETION DATE: _____ 2011

This Certificate of Completion is signed and delivered pursuant to the Assignment, Novation, and First Amendment Agreement by and between the undersigned (the “**Agreement**”). Terms used in this Certificate of Completion have the meanings set forth in the Agreement.

Each of the undersigned Parties:

- (a) affirms that the representations of such Party were true as of the Agreement Date and are true as of the Completion Date;
- (b) certifies to the other Parties that all of the requirements for completion in respect of itself in the Agreement has been satisfied or waived; and
- (c) agrees that the Completion Date is the date set forth in this certificate of completion as the Completion Date and that, in accordance with Clause 10.3 of the Agreement, all of the terms of the Agreement are in full force and effect as of the Completion Date.

The Parties may execute this certificate in counterparts, each of which constitutes an original, and each of which, collectively, constitutes only one certificate of completion. The signatures of all 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 certificate in the presence of the other Parties. This certificate is effective upon delivery of one executed counterpart from each Party to each other Party, and is only effective when all Parties have signed and delivered their respective counterparts.

[Signature page follows.]

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

PERENCO MIDDLE EAST LIMITED

By:.....

Name:

Its:.....

OP SINDI AMEDI KURDISTAN LIMITED

By:.....

Name:.....

Its:

Annex C

Form of Guarantee

G U A R A N T E E

BY

[X]

and

[Y]

IN FAVOUR OF

THE KURDISTAN REGIONAL GOVERNMENT OF IRAQ

(SINDI/AMEDI)

(Second Sub-Period)

G U A R A N T E E
(Second Sub-Period)

This Guarantee, dated _____, is by:

(1) [X], a [] ("X")

and

(2) [Y], a [] ("Y")

in favour of

(3) THE KURDISTAN REGIONAL Government OF IRAQ (the "Beneficiary").

1. Definitions; Interpretation

1.1 Definitions

1.1.1 Unless defined in this Guarantee, terms defined in the Contract have the same meaning in this Guarantee.

1.1.2 As used in this Guarantee:

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

"**Business Day**" means a day on which banks are open for general business in London, England.

"**Demand**" is defined in clause 2.3.

"**Guaranteed Obligations**" is defined in clause 2.1.

"**Guarantors**" means [X and Y] and "**Guarantor**" means either of [X or Y].

"**Minimum Financial Commitment Deficiency**" means an amount, determined as of the termination date of the Contract, equal to the difference between:

(x) the amount set out in Article 10.3(b) of the Contract; and

(y) the sum of the following amounts:

(1) the amount the Contractor has expended with respect to its obligations under Article 10.3(b) of the Contract, and

(2) the amount with respect to such obligations that the Contractor is not required to expend in accordance with the Contract or any waivers provided by the Beneficiary.

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

1.2 Construction and Interpretation

1.2.1 Any reference to a clause or annex is, unless otherwise stated, to a clause or annex of this Guarantee.

1.2.2 Any reference to an "Article" is to an "Article" of the Contract.

1.2.3 Headings and sub-headings are for ease of reference only.

2. Guarantee

2.1 Guaranteed Obligations

The Guarantors guarantee to the Beneficiary the due and punctual payment by the Contractor of the Minimum Financial Commitment Deficiency (if any) for the Second Sub-Period in the manner and currency prescribed by the Contract for payments by the Contractor together with any interest due with respect thereto as provided in the Contract (the "Guaranteed Obligations").

2.2 Joint and Several

The liability of each Guarantor under this Guarantee is joint and several. Every undertaking and agreement contained in this Guarantee is to be construed as a joint and several obligation of the Guarantors.

2.3 Demand

A Guarantor will have no obligation in respect of a Guaranteed Obligation unless the Guarantor has received a written demand for payment (the "Demand"). The Beneficiary may submit a Demand to either or both Guarantors. A Demand must:

- (a) make specific reference to this Guarantee;
- (b) state the amount that is demanded and the Beneficiary's calculation of the Guaranteed Obligations;
- (c) state that the Beneficiary has not received payment of the Guaranteed Obligation from the Contractor on the date on which it became due and payable;
- (d) state the date on which the Guaranteed Obligation became due and payable by the Contractor; and
- (e) provide the Beneficiary's wire instructions for the payment to the Beneficiary of the Demand.

2.4 Payment

A Guarantor shall make payment to the Beneficiary in accordance with a Demand by wire transfer of cleared funds, in Dollars, in accordance with the Beneficiary's wire instructions, and within 5 Business Days after receipt of a Demand.

3. Nature of Guarantee

3.1 This Guarantee is an absolute, unconditional, and irrevocable guarantee of payment when due and not of collection, and whether by acceleration or otherwise.

3.2 The Beneficiary is not required to exercise any right, assert any claim or demand, other than as identified in clause 2.3, or enforce any remedy whatsoever against the Contractor, a Contractor Entity, or any other Person before, or as a condition to, exercising any of the rights, powers, or remedies conferred upon the Beneficiary by this Guarantee or by applicable law. Without limiting the generality of the foregoing, the Beneficiary will not be required to (i) take any action or obtain judgment in any court against the Contractor, a Contractor Entity or any other Person, or (ii) to make or file any claim or proof in a winding up or dissolution of the Contractor, a Contractor Entity or any other Person.

3.3 Except as provided in clause 2.3, each Guarantor expressly waives presentment, demand, protest, and notice of dishonour in respect of each Guaranteed Obligation.

- 3.4 Subject to clause 6, the obligations of the Guarantors:
- (a) constitute continuing obligations, notwithstanding any settlement of account or other matter or thing whatsoever;
 - (b) will not be considered satisfied by any intermediate payment of the Contractor's obligations in respect of the Guaranteed Obligations; and
 - (c) will continue in full force and effect until the Guaranteed Obligations have been paid in full to, and received by, the Beneficiary in accordance with the Contract.
- 3.5 Subject to clause 6, neither the obligations of the Guarantors pursuant to, nor the rights, powers, and remedies conferred upon the Beneficiary by, this Guarantee or by law will be discharged, impaired, or otherwise affected by:
- (a) the winding up, dissolution, administration, reorganization, or moratorium of the Contractor or any Contractor Entity or any change in its status, function, control, or ownership;
 - (b) time or other indulgence, including any composition, being granted or agreed to be granted to the Contractor in respect of any of the Guaranteed Obligations;
 - (c) any change in the time, manner, or place of payment of, or any other term of, all or any of the Guaranteed Obligations, or any other extension or, compromise of the Contractor, provided that none of the foregoing increases the amount of the Guaranteed Obligations;
 - (d) any reduction, limitation, impairment, or termination of any part of the Guaranteed Obligations for any reason, including any claim of waiver, release, surrender, alteration, or compromise;
 - (e) any increase in the amount payable in respect of any Guaranteed Obligation, provided that the Guarantor has provided its prior written consent to any such increase which expressly states Guarantor's intention that this Guarantee will apply to such increased amount;
 - (f) the termination of the Contract or termination of a Contractor Entity's rights under the Contract, or any withdrawal or abandonment by the Contractor or a Contractor Entity of its interests under the Contract;
 - (g) any direct or indirect change in the ownership of the Contractor Entity, including by merger, amalgamation, by law, or otherwise;
 - (h) any transfer of all of any part of the Contractor or a Contractor Entity's interests under or in respect of the Contract;
 - (i) any dispute or claim the Contractor or a Contractor Entity may have against the Beneficiary;
 - (j) the insolvency or bankruptcy of, or similar event affecting, the Contractor or a Contractor Entity; or
 - (k) any other circumstance or combination of circumstances which might otherwise constitute a defense available to, or a legal or equitable discharge of, the Contractor or a Contractor Entity.
- 3.6 Each Guarantor waives any right to or claim of any defense or setoff, counterclaim, recoupment, or termination by reason of (i) the invalidity, illegality, non-genuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, any Guaranteed Obligation; (ii) any claims, set-offs, or liabilities of a Contractor Entity to

the Guarantor or the Beneficiary; (iii) any claims, set-offs, or liabilities of the Guarantor in respect of the Beneficiary; or (iv) any other reason whatsoever.

- 3.7 This Guarantee will continue to be effective or be reinstated, as the case may be, if at any time any payment (in whole or in part) of any Guaranteed Obligation is rescinded or must otherwise be restored by the Beneficiary upon the insolvency, bankruptcy, or reorganization of the Contractor, a Contractor Entity, or otherwise, all as though such payment had not been made. Any settlement or discharge between the Guarantors (or any of them) and the Beneficiary will be conditional upon no payment by the Contractor, a Contractor Entity, or any other Person to the Beneficiary on the Contractor's behalf being avoided or reduced by virtue of any laws relating to bankruptcy, insolvency, liquidation, or similar laws.

4. Taxes

- 4.1 The Guarantors shall make all payments to the Beneficiary free and clear of, and without deduction for, any present or future taxes, withholdings, or other charges of any nature whatsoever imposed by any taxing authority.
- 4.2 If any withholding or deduction from any payment to be made by a Guarantor is required in respect of any taxes, then the Guarantors shall:
- (a) pay directly to the relevant authority the full amount required to be so withheld or deducted;
 - (b) promptly forward to the Beneficiary an official receipt or other documentation satisfactory to the Beneficiary evidencing such payment to such authority; and
 - (c) pay to the Beneficiary such additional amount or amounts as is necessary to ensure that the net amount actually received by the Beneficiary will equal the full amount the Beneficiary would have received had no such withholding or deduction been required.
- 4.3 If any taxes are directly asserted against the Beneficiary with respect to any payment received by the Beneficiary from a Guarantor pursuant to this Guarantee:
- (a) the Beneficiary may pay such taxes; and
 - (b) the Guarantor shall indemnify the Beneficiary against any claim, demand, action, liability, damages, cost, loss, or expense (including legal fees and any applicable value added tax) which the Beneficiary incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of any such tax, and promptly pay such additional amounts (including, if incurred as a result of Guarantor's or the Contractor's action, omission or delay, any penalties, interest or expenses) as necessary so that the net amount received by the Beneficiary, after the payment of such taxes (including any taxes on such additional amount), will equal the amount the Beneficiary would have received had such taxes not been asserted.

5. Notices

5.1 Address for notices to Guarantor

The Beneficiary must:

- (a) make any Demand or provide any notice and other communication to a Guarantor in respect of this Guarantee in writing;
- (b) address such Demand, notice, or other communication as provided in clause 5.1(c); and

- (c) use one of the following methods to deliver such Demand or other notice or communication, each of which, for purposes of this Guarantee, is a writing: (1) personal delivery; (2) email (followed by delivery of the Demand, notice or communication by air courier); or (3) a reputable, internationally recognised air courier, with all fees prepaid, and sent to the Guarantors:

If to [X]:

[X]

Attention:

Address:

Phone:

Email:

If to [Y]

[Y]

Attention:

Address:

Phone:

Email:

5.2 Effectiveness as to Guarantor

- 5.2.1 A Demand, notice, or other communication will be effective as to a Guarantor only if: (a) the Beneficiary has complied with this clause 5; and (b) such Guarantor has received the Demand, notice, or other communication.
- 5.2.2 If a Demand, notice, or other communication is delivered in person to a Guarantor, it will be considered received by the Guarantor by the date set forth in the signed receipt.
- 5.2.3 If the Beneficiary sends a Demand, notice, or other communication to a Guarantor by a reputable, internationally recognised air courier in accordance with clause 5.1, the Demand, notice, or other communication will be considered received by the Guarantor by the date set forth in the signed receipt.
- 5.2.4 If the Beneficiary sends a Demand, notice, or other communication by email to a Guarantor and the email transmission is followed by delivery of the Demand, notice, or other communication the Guarantor by air courier in accordance with clause 5.1, the Demand, notice, or other communication shall be deemed to have been delivered to the Guarantor when the email is received by the Guarantor.

5.3 Notices to Beneficiary

A Guarantor shall give all notices or other communications to the Beneficiary in connection with this Guarantee in the same manner as set forth in Article 44 of the Contract for notices to the Beneficiary.

5.4 Change of Address

A Guarantor or the Beneficiary may change its address as set forth in this clause 5 or Article 44 of the Contract, as applicable, by a notice to the other parties in accordance with this clause 5.

6. Term
- 6.1 This Guarantee is effective as of the date set forth in the preamble.
- 6.2 Subject to clause 3.7, this Guarantee will no longer be effective upon the first to occur of: (1) completion of the Contractor's performance of the Minimum Exploration Obligations set out in Article 10.3 of the Contract, and (2) expenditure of the Minimum Financial Commitment in respect of the Second Sub-Period by the Contractor.
7. Representations and Warranties
- Each Guarantor represents and warrants:
- 7.1 This Guarantee has been authorised by all necessary corporate action, and the Guarantor has all necessary power and authority to sign and perform its obligations hereunder.
- 7.2 This Guarantee is legal, valid, and binding as to such Guarantor.
- 7.3 The Guarantor has received all authorisations and consents necessary for the provision of this Guarantee to the Beneficiary, and the validity and enforceability against it, of this Guarantee.
- 7.4 Except as provided in the next sentence, there is no Law applicable to it or agreement to which it is a party that (a) conflicts with or prevents it from performing this Guarantee in accordance with its terms, or (b) affects the validity and enforceability against it of this Guarantee in accordance with its terms. No representation is made in respect of the laws of the Kurdistan Region of Iraq or the Republic of Iraq.
- 7.5 The Guarantor is not a party to any administrative or judicial proceeding, litigation, or arbitration that could affect the validity or enforceability of this Guarantee.
8. Arbitration; Indemnification
- 8.1 The Guarantors and the Beneficiary shall, exclusively, refer any dispute, claim or controversy arising out of or in connection with this Guarantee (including a dispute, claim or controversy relating to any non-contractual obligations arising out of or in connection with this agreement) to and to be finally resolved by arbitration under the rules of the London Court of International Arbitration, which rules are incorporated by reference into this clause 8.
- 8.2 The language of the arbitration will be English, and any award will be written in the English language.
- 8.3 The seat, or legal place, of the arbitration will be London, England.
- 8.4 The arbitral tribunal will comprise one arbitrator directly appointed by the London Court of International Arbitration.
- 8.5 The Beneficiary may seek enforcement of an arbitral award by any court of competent jurisdiction.
- 8.6 Any award must be expressed in Dollars.
- 8.7 The arbitral award will be final and not subject to any appeal.
- 8.8 If any question of law arises during the arbitral proceedings or arises out of an award, neither the Beneficiary nor either Guarantor may make an application or bring an appeal to any court on a question of law, and both the Beneficiary and the Guarantors expressly waive their respective rights to make an application or bring an appeal under the English Arbitration Act 1997.

8.9 The Guarantors shall indemnify the Beneficiary from and against all costs and expenses (including legal fees) incurred by the Beneficiary in the enforcement and protection of the Beneficiary's rights under this Guarantee.

9. Variation

9.1 This Guarantee may be amended only by a written agreement of the Beneficiary and the Guarantors that identifies itself as an amendment to this Guarantee.

9.2 The Beneficiary may waive any provision in this Guarantee only by a writing executed by the Beneficiary. A Guarantor may waive any provision in this Guarantee as to such Guarantor only by a writing executed by such Guarantor. A waiver or consent made on one occasion will be effective only in that instance and only for the purpose stated.

9.3 No failure or delay in exercising any right or remedy, or in requiring the satisfaction of any condition, under this Guarantee by a Guarantor or the Beneficiary, and no act, omission or course of dealing between the Beneficiary and a Guarantor, will operate as a waiver or estoppel of any right, remedy, or condition.

10. Benefit; Assignment

10.1 This Guarantee inures to the benefit of the Beneficiary and its (and any subsequent) successors and assigns, each of which shall be entitled to enforce this Guarantee against the Guarantors.

10.2 No Guarantor is entitled to assign or transfer all or any of its rights, benefits, or obligations hereunder unless the Beneficiary provides its prior written consent to the Guarantor.

10.3 The Beneficiary is entitled to assign all or any of its rights and benefits hereunder without the prior written approval of the Guarantors.

10.4 Any assignments in breach of this clause 10 will be void.

11. Severability

If at any time any provision of this Guarantee is determined to be illegal, invalid, or unenforceable in any respect under the laws of any jurisdiction, neither (i) the legality, validity or enforceability of the remaining provisions of this Guarantee, nor (ii) the legality, validity or enforceability of such provision under the laws of any other jurisdiction, will, in any such case, in any way be affected or impaired thereby.

12. Governing Law

This Guarantee and all matters arising from or connected with it are governed by English law.

[Signature page follows.]

Date: _____

[X]

By:.....

Name:

Title:

[Y]

By:.....

Name:

Title:

Accepted and received for and on behalf of the

THE KURDISTAN REGIONAL GOVERNMENT OF IRAQ:

BY:.....

Barham Salih

Prime Minister

Kurdistan Regional Government

On behalf of the **Regional Council**

for the Oil and Gas Affairs of the Kurdistan Region - 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 Second Sub-Period Guarantee - Sindi/Amed]