

Terms and Conditions of participation in the Abandonment Performance Review.

Rev 0

25 March 2008

1 Introduction

- 1.1 The definitions and interpretations in article 15 are applicable to these Terms and Conditions.
- 1.2 The headings used in these Terms and Conditions are for convenience only and shall not affect their interpretation.
- 1.3 Words importing the singular shall also include the plural and vice versa where the context so admits.
- 1.4 'Agreement' means the agreement between Rushmore and the Participant comprising acceptance of these Terms and Conditions, any further terms and conditions mutually agreed and detailed on a purchase order, service order or contract received and accepted by Rushmore from the Participant. All other terms and conditions are excluded to the fullest extent permitted by law.
- 1.5 In so far as there is a conflict between the Agreement and the standard terms and conditions of the Participant, the Agreement takes precedence over the standard terms and conditions of the Participant.

2 The Reviews

- 2.1 The Abandonment Performance Review (APR) is a multi-Operator benchmarking study compiled by Rushmore.
- 2.2 Participants in the APR provide Data to Rushmore on Wells they abandon in the Current Year.
- 2.3 The Data Input Workbook and Terms and Conditions of the Review are examined at an annual meeting where the Participants can determine and agree changes that apply for the following year.
- 2.4 Rushmore checks the Data for consistency where possible and makes it available to Participants on its website at www.RushmoreReviews.com or by email as determined by Rushmore. This Data, which has been checked by Rushmore, is known as 'Published Data'.
- 2.5 Participants pay Rushmore in accordance with Schedule 1 for the ability to access Published Data.
- 2.6 The Participant is granted a non-exclusive, royalty-free licence to use Published Data for the purposes of collation and analysis solely for its own use and its own benefit.

3 Eligibility for participation

- 3.1 Participation in the Reviews is restricted to Operating Companies.

4 Group membership

- 4.1 The Participant shall inform Rushmore, on the 'Country Declaration' form provided, of all the Countries in which members of its Group operate Wells which have not been abandoned at 1st January of the Current Year.
- 4.2 Where the Participant is entering this agreement expressly on behalf of itself and some or all of its Group members it confirms that all participating Group members are subject to the terms of the Agreement.

5 Provision of Data

- 5.1 The Participant shall inform Rushmore, on the Joining Form provided, of the number of wells it expects to abandon in the Current Year plus sundry contact details.

- 5.2 The Participant shall supply the Data required by the Data Input Workbook.
- 5.3 Data cannot be withdrawn by the Participant once it has been published on the website or provided by email to other Participants, however Published Data that is preliminary or incorrect may be revised or updated.
- 5.4 For 2008 and onwards, the Participant shall supply Data for each Well it abandons in the Current Year in each Country in which it is participating.
- 5.5 For 2000 to 2007 the Participant shall provide Data on a minimum of 50% of the wells abandoned during this period in each Country in which it is participating.

If a prospective Participant cannot provide data for 50% of the abandonments it performed between 2000 and 2007, and / or cannot provide 100% of the required data fields for those abandonments, their participation is subject to approval of the Participants in the Current Year.

- 5.6 Where the Participant performed no abandonments between 2000 and 2008 in a Country it shall provide data on a minimum of 50% of the abandonments it performed prior to 2000.

If a prospective Participant cannot provide data for 50% of the abandonments it performed prior to 2000, and / or cannot provide 100% of the required data fields for those abandonments, their participation is subject to approval of the Participants in the Current Year.

6 Access to Published Data

- 6.1 The Participant shall be provided access to Published Data when a valid purchase order and payment of the Fee has been received and accepted by Rushmore.
- 6.2 The degree to which the Participant can access the Published Data depends on these Terms and Conditions. The most restrictive access rights and restrictions shall apply.
- 6.3 Access rights to Published Data.
 - 6.3.1 Access rights pertaining to Countries.
 - 6.3.1.1 The Participant shall be provided access to Published Data for each Country in which it, or a member of its Group, is participating in the Current Year.
 - 6.3.1.2 The Participant shall be provided access to Published Data for all Countries where neither it, nor a member of its Group, operates Wells in the Current Year.
 - 6.3.1.3 All Group members of a Participant that are abandoning in the Current Year in a specific Country must Participate and submit all relevant Data before the Participant may access Published Data for that Country. Access rights will be calculated based on the most restrictive rights of each of the Group members in that Country.
 - 6.3.1.4 If the Participant is a Consortium Operator it shall only be provided access to Published Data for the Countries in which it is participating and for Countries in which all its Co-venturer's are granted access by virtue of their separate participation and all their Group members meeting the conditions for Published Data access.
 - 6.3.2 Access rights pertaining to Quarterly Data submissions for 2008 and onwards.

- 6.3.2.1 To be complete, the Data submitted by the Participant for a Quarter in a Country must have been processed and assessed to be correct and complete by Rushmore, with no outstanding queries or omissions.
- 6.3.2.2 The Participant shall be granted access to Published Data for a specific Quarter in the Current Year once it has made a complete submission of Data for that specific Quarter provided that the Participant has been granted access to Published Data for the immediately preceding Quarter in the which the Participant is participating, which may be in the previous year.
- 6.3.2.3 The Participant shall be granted access to Published Data for a specific Quarter in the Current Year where the Participant has declared that it has no Data to submit for that specific Quarter and provided the Participant has been granted access to Published Data for the immediately preceding Quarter, which may be in the previous year.

6.3.3 Access rights pertaining to year of abandonment

- 6.3.3.1 From 2008 onwards the Participant must provide Data in order to access Published Data for the Current Year unless the Participant qualifies to purchase access to Published Data.
- 6.3.3.2 A Participant that provides Data on a minimum of 50% of its abandonments in the Countries in which it is participating between 2000 and 2007 inclusive may access Published Data for all these years.
- 6.3.3.3 A Participant that abandoned no wells between 2000 and 2008 and has provided Data on abandonments performed prior to 2000 may access Published Data for all years prior to 2000 and qualifies to purchase access to Published data in all subsequent Years until it performs an abandonment.

6.3.4 Access rights to pre-2000 Published Data

- 6.3.4.1 Pre-2000 Published Data is available free of charge and without restriction to Participants who may access Published Data for 2000 or any subsequent year.

6.3.5 Purchase of access to Published Data

- 6.3.5.1 A Participant that has never performed a well abandonment may purchase access to Published Data for the Current Year and all previous years. A Participant who purchases access to Published Data on this basis and expects to perform a well abandonment within three years of the purchase must contract to participate for each year up until and including the year of their first expected abandonment and commit to submit the required Data for that year.
- 6.3.5.2 A Participant providing Data for 2008 or later who did not abandon a well prior to 2008 may purchase access to Published Data for all previous years.
- 6.3.5.3 A Participant who has provided Data for the last year in which they performed an abandonment may purchase access to Published Data for all subsequent years in which they do not perform an abandonment.

7 Confidentiality

- 7.1 The Participant shall keep Published Data confidential even after the termination of the Agreement and without time limit.
- 7.2 The Participant may share Published Data with its corporate head office personnel that have direct

supervisory, over-sight or support roles in relation to the Participant provided such personnel agree to the same confidentiality conditions as the Participant and use such Published Data solely for the benefit of the Participant and any other Group members that have access to the same Published Data as the Participant by virtue of their separate participation.

- 7.3 The Participant may not share Published Data with another member of its Group except where the Group member is granted access to the same Published Data by virtue of its separate participation.
- 7.4 The Participant may share Published Data with its non-operating partners or non-operating joint venturer's where necessary as part of an operating agreement, provided such organisations agree to the same confidentiality conditions as the Participant.
- 7.5 The Participant may provide Published Data to sub-contracted companies for the purposes of analysis or input into more detailed benchmarking studies, provided that the Participant ensures that the confidentiality obligations which are incumbent on the Participant are respected by the sub-contracted company and that the sub-contracted company returns all Published Data to the Participant at the end of its work upon it.
- 7.6 The obligations of confidence set forth herein do not apply to any information which is now or subsequently becomes generally available to the public through no act or failure to act on the part of the Participant, which the Participant can show was in its possession prior to receipt from Rushmore, or which the Participant can show was developed by its employees, consultants or agents who did not have access to the Published Data.
- 7.7 Information which shall become available to the Participant legitimately and lawfully from a third party shall be released from the provisions of this Agreement to the extent necessary to permit such use and disclosure as are permitted by such third party.
- 7.8 In the event the Participant becomes legally compelled or it is necessitated under law for the Participant to disclose any Published Data, the Participant shall use its best endeavours to provide Rushmore with prompt notice so that Rushmore may seek a protective order or other appropriate remedy or waive compliance with the provisions of this Agreement. In the event that such protective order or other remedy is not obtained, or that Rushmore waives compliance with the provisions of this Agreement, the Participant will furnish only that portion of the Published Data, which it is advised by opinion of counsel, is legally required.
- 7.9 Rushmore, its employees, associates and sub-contractors, shall keep all Data and Published Data confidential and not supply access to Data or Published Data except to those Participants that have the right to access it.
- 7.10 Rushmore may sub-contract the provision of any part of the Review and provide any Data and Published Data to a third party necessary to ensure the provision, or the development, of the Reviews without obtaining approval from the Participant. In this case, Rushmore shall ensure that any subcontractor or third party shall commit by writing to keep all provided Data and Published Data confidential and to return all provided Data and Published Data at the end of its work upon it.

8 Rights and ownership of Data and the Reviews

- 8.1 The Participant keeps all rights and ownership of the Data it supplies to Rushmore but all the rights and ownership of the Review belongs to Rushmore.

9 Marketing the Reviews

- 9.1 Rushmore may freely advertise and publicise the Review in general terms, identify Participants and may exhibit the Review, including Published Data, to prospective Participants but will not allow them to make or keep a copy.

10 General

- 10.1 The Participant acknowledges that it has freely entered into the Agreement and has not entered into this Agreement on the basis of any representations as to the identity of Other Participants or otherwise.
- 10.2 Rushmore will provide details of Participants and prospective Participants in good faith but cannot guarantee that all such Participants or prospective Participants will choose to join the Review for the Current Year. The non-participation of any such Participant or prospective Participant shall not be grounds for termination of the Agreement by the Participant or cause for any claim against Rushmore.
- 10.3 Rushmore acts as an independent contractor at all times with no relationship of agency or partnership existing between Rushmore and the Participant.
- 10.4 The Participant shall supply Rushmore with the Data at its own expense, within sufficient time to enable Rushmore to provide the Review, using its best endeavours to meet any specific deadlines for the provision of Data agreed at the annual Participants meeting and notified to the Participant by Rushmore.
- 10.5 Rushmore may make any necessary changes to the Review to comply with any applicable statutory requirements, or which do not adversely affect the contents or quality of the Review, without notifying the Participant.
- 10.6 The Participant may not assign, charge or sub-licence all or any of its rights or obligations under this Agreement or any part thereof without the prior written consent of Rushmore, and such consent shall not be unreasonably withheld.
- 10.7 Any notice required by either Rushmore or the Participant shall be in writing addressed to the appropriate principal place of business.
- 10.8 No failure or delay by either party in exercising any of its rights under the Agreement shall be deemed to be a waiver of that right, and no waiver by either party of any breach of the Agreement by the other shall be considered as a waiver in respect of any subsequent breach of the same or any other provision.
- 10.9 If any provision of the Agreement is held by any competent authority to be invalid or unenforceable in whole or in part, the validity of the other provisions of these terms and conditions and the remainder of the provision in question shall not be affected.

11 Warranties and liabilities

- 11.1 The warranties contained in this article are the only warranties and representations provided by the parties under the Agreement and the Participant acknowledges that it did not enter into the Agreement with the expectation of additional warranties.
- 11.2 All title, rights and copyright of Data supplied to Rushmore must either be owned by the Participant or approved for submission into the Review by the owner of the Data.
- 11.3 The Participant shall act responsibly and in good faith in the submission of Data and ensure that no breaches of title, rights or copyright result from its submission and warrants that the Data are accurate.
- 11.4 The Participant indemnifies Rushmore in every respect of its supply of Data to Rushmore and its subsequent inclusion in the Review.
- 11.5 Rushmore warrants that the Review will be provided using reasonable care and skill.

- 11.6 Neither Rushmore nor any Other Participant shall have any liability to the Participant for the use or results of use to which the Participant puts the Published Data, or for any errors or omissions in the Data supplied to Rushmore by the Participant or any Other Participant and this article is intended to create third party rights in favour of and for the benefit of each of the Other Participants.
- 11.7 Rushmore shall not be liable for any delays or failures in relation to the Review due to causes beyond Rushmore's control and will not be in breach of the Agreement.
- 11.8 The Participant shall be deemed to have represented and warranted to Rushmore that the provision by Rushmore of cost Published Data to the Participant (and the provision of the service pursuant to this clause) is lawful and does not breach or infringe in any way the competition (or similar) laws of the jurisdiction of those countries for which cost Data has been provided by the Participant to Rushmore.
- 11.9 Rushmore shall, in its sole discretion, have the option to terminate the supply of cost Published Data to the Participant without breaching any term of the Agreement should Rushmore be legally advised that to continue to provide cost Published Data would risk infringement of competition, anti-trust (or similar) laws.

12 Termination

- 12.1 At any time, either party may terminate the Agreement by giving written notice to the other if the other commits any breach of the Agreement and fails to remedy the breach within 30 days after being required by written notice to do so, or if the other goes into liquidation or any similar event.

13 Charges and invoicing

- 13.1 The Participant is invoiced by Rushmore upon joining the Review and shall pay the invoice within thirty days of receipt unless specifically agreed otherwise.
- 13.2 The Fee quoted to the Participant by Rushmore is exclusive of any United Kingdom Value Added Tax.
- 13.3 The Participant shall inform Rushmore of, and pay any, withholding tax or any other tax, charge or fee levied upon the Fee by the government of the Country in which the Participant is registered or other authority in such country that would result in a reduction of the monies received by Rushmore.
- 13.4 Should the Participant receive a discount to the standard fees as given in Schedule 1 but not fulfil the conditions of the discount the Participant shall pay Rushmore the value of the discount within 30 days of receipt of Rushmore's invoice. This will apply where the Participant received a fee discount for multi-country or global participation but did not subsequently provide Data for all the Countries in which it agreed to provide Data.

14 Contract period

- 14.1 The Participant may contract for participation in the Review for a single year or may contract for a multi-year period. A contract for a period of three or more years attracts a discount to the standard fees.
- 14.2 Should the Participant enter into a multi-year contract but withdraw from one or more year's participation the Participant shall pay Rushmore, upon withdrawal, a fee each year withdrawn equal to the fee paid to Rushmore for the last year of participation within 30 days of receipt of Rushmore's invoice.
- 14.3 Where the Participant enters into a multi-year contract the Participant shall issue a variation to its purchase order, service order or contract to include changes in the Terms and Conditions of participation agreed by Participants at the annual meeting. The Participant will not be required to issue such a variation unless it has consented to the changes. Should the Participant not consent to the changes Rushmore may, but is not obliged to, terminate the Agreement by giving written notice to the Participant. Such notice of termination shall not be grounds for any claim against Rushmore.

15 Definitions and interpretations

'Abandon' (including 'Abandonment') means the process undertaken by, or on behalf of, an Operator to permanently close a production or injection Well, with no intention of future re-entry, after production operations have drained the reservoir normally to an extent that the Operator considers further operation of the Well to be uneconomic.

It also means the process undertaken by, or on behalf of, an Operator to permanently close an exploration or appraisal Well, with no intention of future re-entry, where a rig has returned to remove the wellhead and abandon the well but does not mean the process undertaken by, or on behalf of, an Operator to permanently close a exploration or appraisal Well where the wellhead was removed by the rig immediately after the end of drilling or drilling and testing the Well.

'Consortium Operator' means an Operator that has been formed or exists as a joint venture between or among other Operators ('Co-venturer's'). A Consortium Operator may contain staff seconded from its co-venturer's. Rushmore retains the right to determine whether or not a Participant is a Consortium Operator for the purposes of the Agreement. A Consortium Operator is a member of the Group of each of its Co-venturer's.

'Countries' (including 'Country') means geographical Countries except that each of the following shall also be considered as Countries for the purposes of this Agreement: Alaska land, Australia land, Australia offshore, US Gulf of Mexico shelf, US Gulf of Mexico deepwater, US offshore excluding GOM, US 'lower 48 states', Canada offshore, Canada land. The country 'Russia' shall exclude Sakhalin Island and Sakhalin Island shall be considered a Country.

'Country Declaration' means the form provided by Rushmore for Participants to indicate all the countries in which members of the Participant's Group operate wells.

'Current Year' means the calendar year from 1 January to 31 December relevant to the Data which has been provided to Rushmore by the Participant or the calendar year for which access Published Data is being purchased.

'Data' means numbers, charts and words required to be provided by Participants to Rushmore.

'Data Input Workbook' means the Excel spreadsheets provided by Rushmore for Participants to record and submit their Data for the Review. The Data Input Workbook includes instructions that define terms contained within it and how Data should be presented.

'Fee' means those amounts payable by the Participant in accordance with Schedule 1.

'Group' means, in relation to the Participant, it and every other company it discloses to Rushmore, which is mutually agreed to be a member of its Group for the purposes of the Reviews in a particular Country.

The following factors will be taken into account when determining which companies are members of the Participant's Group:-

1. the Participant and / or its parent company provide or second technical staff to the company; or
2. the Participant and / or its parent company share information technology systems with the company; or
3. the Participant and / or its parent company have access to the abandonment Data of the company; or
4. the Participant or its parent company exercises Control over the company and 'Control' shall exist if the Participant or its parent company hold, directly or indirectly, shares which together with shares held by any persons acting in concert with the Participant or its parent company carry 50 per cent or more of the voting rights of the company; or
5. the Participant or its parent company hold, directly or indirectly, shares which together with shares held by

any persons acting in concert with the Participant or its parent company constitute the major shareholding in the Affiliate, second only to the shareholding of a state or national company of the Country in which the company is registered.

'Joining Form' means the form provided by Rushmore for the Participant to provide contact details, abandonment numbers for the Current Year and confirmation that Rushmore may list the Participant on Rushmore Reviews marketing materials and website as 'intending' to participate in the Review in the Current year.

'Non-operating partners' and 'non-operating co-venturer's' shall mean entities that do not hold a license to operate oil and gas installations in any Country in the Current Year.

'Operator' or 'Operating Company' means a company licensed to operate oil and gas installations.

'Other Participants' means those companies (excluding the Participant) that are participating in the Reviews in the Current Year.

'Participant' means an Operator with whom Rushmore has an Agreement to participate in the APR in the Current Year.

'Participants' means the Participant and Other Participants.

'Participate' means to take part in the APR.

'Published Data' means Data that has been checked by Rushmore and published in numerical and / or chart format on the Rushmore website or provided by email.

'Quarterly' (including 'Quarter' and 'Q' as in 'Q1' etc) means four periods of three calendar months each in the Current Year from January to March, April to June, July to September and October to December.

'Rushmore' means Rushmore Associates Limited (Registered in England and Wales under Number 01762534) having its principal place of business at 5 Albyn Terrace, Aberdeen, AB10 1YP, UK. VAT number 521 1588 69. Representative – Peter Rushmore, Managing Director.

'Well' means a hole drilled for the purposes of hydrocarbon exploration or production. It may be further defined in the Data Input Workbook.

Schedule 1 – Fees

The 'Fee' payable by the Participant shall be determined in accordance with the following provisions:

1. Fee for each Participating Country.

The fee for each Country where the Participant is providing Data and for each Country where the Participant is purchasing access to Published Data is...

1.1 Free of charge for pre-2000 time period.

1.2 6,000 UK pounds for the time period from 2000 to 2007

1.3 6,000 UK pounds per year for 2008 and each subsequent year.

2. Fee Discounts

2.1 Where an Operator is participating in the Drilling Performance Review or Completions Performance Review the fee discounts applicable to their participation in these studies will be applied to the APR fees provided the same commitments in terms of country scope, contract period and multi-Country or global commitment are matched.

2.2 Fee discounts are available for commitments of three or more years.

2.3 Fee discounts are available for multi-country or 'global' participation.