

AGREEMENT

BETWEEN

[X]

AND

[Y]

AND

[Z]

REGARDING

AREA OF MUTUAL INTEREST

IN RESPECT OF

[insert applicable APA/ licence round]

ON THE

NORWEGIAN CONTINENTAL SHELF

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APPENDICES:

Appendix A – Area of Mutual Interest

[Appendix B – Budget]¹

[Appendix C – List of Confidential Information]²

[Appendix D – Information to be shared]³

¹ Optional regulation, see Article 9 alternative 2.

² Optional regulation, see Article 1.7.

³ Optional regulation, see Article 10.1.

This Agreement is made and entered into on the date of the last signature below by and between:

[insert entity name], a company organised and incorporated under the laws of Norway, with organisation no. *[insert organisation number]*, having its registered office at *[inserted registered office address]*,

(hereinafter called “[X]”) of the first part;

and

[insert entity name], a company organised and incorporated under the laws of Norway, with organisation no. *[insert organisation number]*, having its registered office at *[inserted registered office address]*,

(hereinafter called “[Y]”) of the second part

and

[insert entity name], a company organised and incorporated under the laws of Norway, with organisation no. *[insert organisation number]*, having its registered office at *[inserted registered office address]*,

(hereinafter called “[Z]”) of the third part

(hereinafter also called individually a “Party” and collectively the “Parties”).

WHEREAS, certain unlicensed blocks are open for applications in the Application Round until the Application Deadline;

WHEREAS, the Parties desire to jointly evaluate the Area of Mutual Interest or parts thereof in accordance with the provisions of this Agreement for the purpose of possibly preparing and submitting one or more Joint Application(s) in the Area of Mutual Interest; and

WHEREAS, the Parties wish to establish the principles under which the Parties shall undertake such evaluation work, the process for any potential Joint Application(s) in the Application Round, and inter alia their respective participating interests in the cooperation under this Agreement and the respective participating interests for which they will apply hereunder in respect of any Production Licence(s).

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

The following terms shall have the meaning as stated below:

- 1.1 **“Affiliate”** shall mean any enterprise;
- a) which owns or holds directly or indirectly more than fifty percent (50 %) of the share capital or votes, or in any other way directly or indirectly exercises a controlling interest in a Party;
 - b) in which one of the Parties owns or holds directly or indirectly more than fifty percent (50 %) of the share capital or the votes, or in any other way directly or indirectly exercises a controlling interest; and/or
 - c) of which more than fifty percent (50 %) of the share capital or votes are owned or held directly or indirectly or which in any other way directly or indirectly is controlled by one or more enterprises(s) which owns or holds directly or indirectly more than fifty percent (50 %) of the share capital or the votes or in any other way exercises directly or indirectly a controlling interest in a Party.
- 1.2 **“Agreement”** shall mean this agreement, including the Appendices attached hereto, as amended from time to time. In the event of conflict between the various parts of this Agreement, the main body of this Agreement shall be given priority over the Appendices.
- 1.3 **“Application Deadline”** shall mean the deadline for submittal of an application for award of Production Licences in the Application Round as stipulated by the Ministry.
- 1.4 **“Application Round”** shall mean the Norwegian Continental Shelf [*insert applicable APA / licence round*].
- 1.5 **“Area of Mutual Interest”** shall mean the area identified in Appendix A.
- 1.6 **“Business Day”** shall mean any calendar day that is neither a Saturday, a Sunday or public holiday in Norway.
- 1.7 **“Confidential Information”** shall mean any and all commercial, technical and other information and data which is either directly or indirectly and in whatever form disclosed to a Party by another Party pursuant to and subject to this Agreement, excepting Joint Developed Information. Confidential Information may include, but is not limited to economic models, engineering studies, maps, plots, drawings, documents, minutes of meetings, agreements and interpretations. [Without prejudice to the foregoing, this shall include, but is not limited to, the documents listed in Appendix C]⁴.

⁴ Optional regulation.

- 1.8 **“Effective Date”** shall mean [*Alternative 1: the date this Agreement was made and entered into*] [*Alternative 2: insert a specific date*]⁵.
- 1.9 **“Joint Application(s)”** shall mean any application(s) submitted hereunder by two or more Parties for one or more Production Licence(s) covering the whole or any part of the Area of Mutual Interest.
- 1.10 **Joint Developed Information** means any and all commercial, technical and other information and data arising out of the Work, whether developed jointly or by one or more Parties on behalf of the other Parties.
- 1.11 **“Ministry”** shall mean the Norwegian Ministry of Petroleum and Energy.
- 1.12 **“Participating Interest”** shall mean, as to any Party, the participating interest of such Party under this Agreement expressed in percentages in Article 2.1, and as amended in accordance with this Agreement.
- 1.13 **“Project Leader”** shall mean the Party appointed as such in Article 4.1.
- 1.14 **“Production Licence”** shall mean a licence for the exploration, exploration drilling and production of petroleum deposits in areas covered by the licence awarded in accordance with the Petroleum Act (Act no. 72/1996) Section 3-3.
- 1.15 **“Third Party”** shall mean any party other than the Parties.
- 1.16 **“Work”** shall mean the work to be performed pursuant to this Agreement in order to enable evaluation of the Area of Mutual Interest and the preparation and submission of Joint Application(s).

2. RELATIONSHIP BETWEEN THE PARTIES

2.1 The Parties’ Participating Interests under this Agreement shall be as follows:

- | | | |
|-----|-----|---------------------|
| (a) | [●] | [●] % ([●] percent) |
| (b) | [●] | [●] % ([●] percent) |
| (c) | [●] | [●] % ([●] percent) |

Unless otherwise agreed in accordance with this Agreement, the above Participating Interests shall form the basis of any Joint Application(s) made pursuant to this Agreement.

⁵ Alternative regulations.

The Parties acknowledge that the Ministry may stipulate a different apportionment of participating interests and that it may also introduce Third Parties when awarding Production Licence(s) applied for hereunder.

- 2.2 Except as expressly otherwise provided in this Agreement, all rights, obligations, losses, damages and liabilities incurred in or arising out of the Work or the Agreement shall be borne by the Parties in proportion to their respective Participating Interests.
- 2.3 The rights, obligations and liabilities of the Parties shall, among themselves, be several and not joint or collective and each Party shall be responsible only for its individual obligations and liabilities as herein provided.
- 2.4 This Agreement is not intended to create, nor shall it be construed to create, any association, trust, company, partnership, joint venture or any other type of legal entity.

3. TERM AND TERMINATION

- 3.1 This Agreement shall be effective from the Effective Date, and shall terminate upon the earlier of:
 - i) the date when the Parties agree in writing to terminate the Agreement;
 - ii) the Application Deadline; or
 - iii) the date when all Parties have withdrawn from the Agreement in accordance with Article 14.

Notwithstanding the above, Articles 10, 11, 12, 13.4 and 16 shall survive such termination. [The confidentiality obligations set forth in Article 11 shall expire [*insert number of years*] years from the date of termination of this Agreement.]⁶

Termination of this Agreement, wholly or partly and howsoever caused, shall be without prejudice to any accrued rights and/or obligations which exist or may arise under or in relation to this Agreement in respect of any period prior to such termination.

- 3.2 A Party in substantial breach of any terms of the Agreement (“vesentlig kontraktsbrudd”) may be discharged from the Agreement by the other Party (or Parties, as the case may be, by unanimous decisions) if such breach has not been remedied by the Party within 5 (five) Business Days of having received notice from the non-defaulting Party (or Parties, as the case may be). The discharge shall become effective on the date of the decision to discharge by the non-defaulting Party (or Parties, as the case may be).

Article 14.2 first and second paragraphs shall apply *mutatis mutandis* to the discharged Party.

⁶ Optional provision.

Notwithstanding the above, a discharged Party loses ownership to Joint Developed Information from the effective date of the discharge. Joint Developed Information and Confidential Information of which the discharged Party is in possession, shall be destroyed or returned by the discharged Party as soon as possible and no later than 5 (five) Business Days from the effective date of the discharge. The destruction or return of all such information shall be confirmed in writing by a director of the discharged Party.

Article 14.3, first paragraph shall apply mutatis mutandis in respect of the discharged Party's Participating Interest.

4. THE PROJECT LEADER

- 4.1 *[insert applicable Party]* is appointed as the Project Leader.
- 4.2 *[[insert applicable Party or Parties]* shall be proposed as the operator for any Production Licence(s) awarded pursuant to any Joint Application(s) made in accordance with this Agreement. The Parties acknowledge that the Ministry may appoint a different operator.]⁷
- 4.3 The Project Leader shall perform its responsibilities under this Agreement in accordance with this Agreement, applicable laws and regulations, including any laws and regulations relating to health, safety and the environment and the unanimous decision of the [Steering Committee/Parties]⁸.
- 4.4 The responsibilities of the Project Leader under this Agreement shall comprise the following tasks:⁹
- a) act as leader for any Work and execute any tasks assigned to it by the [Steering Committee/Parties]¹⁰ in accordance with this Agreement;
 - b) in co-operation with the other Party (or Parties, as the case may be), appraise the prospectivity of the acreage in the Area of Mutual Interest. The Project Leader is responsible for coordinating the technical and commercial evaluation of the Area of Mutual Interest;
 - c) provide reports, data and information required pursuant to this Agreement or ensure that such reports, data and information are provided;
 - d) prepare any Joint Application(s) and any necessary documentation in connection with such application(s);
 - e) submit the Joint Application(s) and pay the application fee;

⁷ Optional provision. If the Parties do not agree to such a regulation then this issue should be settled in accordance with the general mechanisms of Article 7.

⁸ Delete as appropriate.

⁹ In the following there are presented tasks which normally would be included in a Project Leader's obligations. However, the Parties should review this list closely and may adjust, supplement, or otherwise amend this list on a case to case basis before entering into the Agreement.

¹⁰ Delete as appropriate.

- f) submit proposals for the acquisition of data or other services regarding the Area of Mutual Interest for consideration by the [Steering Committee/Parties]¹¹, and if such proposals are approved by the [Steering Committee/Parties]¹², acquire such data and/or services or ensure that such data and/or services are acquired; and
- g) establish a common database which all Parties shall have access to and which all information produced under this Agreement shall be added to.

5. [Alternative 1: STEERING COMMITTEE]¹³ [Alternative 2: WORKING RELATIONSHIP BETWEEN THE PARTIES]¹⁴

[Alternative 1:

- 5.1 As soon as possible after the signing of this Agreement, the Parties shall establish a Steering Committee to which each of the Parties shall appoint one member and one deputy member. The member appointed by the Project Leader shall convene the Steering Committee meetings and act as the chairman of the Steering Committee.
- 5.2 The Steering Committee shall have the overall supervision of all matters pertaining to this Agreement including the Work, and make decisions as specified in this Agreement and decide upon any other substantial matter relating to the Work.
- 5.3 Unless this Agreement expressly provides otherwise, a decision to be taken by the Steering Committee shall be made by the unanimous vote of the Parties. A Party not present in person at a Steering Committee meeting may vote on any matters by giving written notice of its vote to the Project Leader prior to the meeting. A failure to vote shall be deemed to be a vote against a proposal.
- 5.4 The Steering Committee shall meet as specified in this Agreement and whenever requested by any Party upon giving no less than [7 (seven)]¹⁵ Business Days' notice (or such shorter notice as the Parties may unanimously agree) in writing specifying the time, date and agenda, including any resolutions to be voted on. By notice to the other Party (or Parties, as the case may be), a Party may request that additional matters to be considered at the meeting. Such matters will be considered, provided that notice is given at least [3 (three)]¹⁶ Business Days before the date of the meeting (or such lesser notice as the Parties may unanimously agree). Documentation shall be submitted at the latest 1 (one) Business Day prior to meetings of the Steering Committee.
- 5.5 Subject to mutual agreement, Steering Committee meetings may be conducted as video-conferences, telephone conversations or through electronic correspondence.

¹¹ Delete as appropriate.

¹² Delete as appropriate.

¹³ This alternative is to be used if Alternative 1 below is used.

¹⁴ This alternative is to be used if Alternative 2 below is used.

¹⁵ Number of days to be agreed and specified.

¹⁶ Number of days to be agreed and specified.

- 5.6 Decisions of the Steering Committee may also be taken in writing by notice, without a meeting, provided all Parties are given at least [10 (ten)]¹⁷ Business Days' notice of the matters to be determined (or such lesser notice as the Parties may unanimously agree.)]

[*Alternative 2:*

- 5.1 The Parties shall hold such meetings as may be reasonably required to permit them to appraise the prospectivity of the acreage in the Area of Mutual Interest and as otherwise specified in this Agreement.
- 5.2 Subject to mutual agreement, the meetings may be conducted as video-conferences, telephone conversations or through electronic correspondence.
- 5.3 Unless this Agreement expressly provides otherwise, any decisions under this Agreement shall be made by the mutual agreement of the Parties.
- 5.4 Decisions by the Parties may also be taken in writing by notice, without a meeting, provided all Parties are given sufficient notice of the matters to be determined.]

6. RESPONSIBILITIES OF THE PARTIES

- 6.1 Each Party shall perform all necessary work in order to perform a proper evaluation of the Area of Mutual Interest with the aim of determining whether one or more Joint Application(s) should be submitted in the Application Round. The work shall include (but not necessarily be limited to) the following:
- (a) perform a technical evaluation of the Area of Mutual Interest and any additional tasks as may be required to permit the Parties to properly evaluate the Area of Mutual Interest, including, but not limited to meetings and technical workshops;
 - (b) participate in the appraisal of the acreage in the Area of Mutual Interest;
 - (c) present proposals for terms of the Joint Application(s); and
 - (d) except where such Party does not participate in the relevant Joint Application(s), upon request by the Project Leader, support the Project Leader with technical expertise or other resources as required by the Project Leader.

7. SUBMISSION OF A JOINT APPLICATION

- 7.1 Following the Area of Mutual Interest evaluations, the [Steering Committee/Parties]¹⁸ shall meet to determine in accordance with Article 5.3 which areas within the Area of Mutual Interest shall be the subject of any Joint Application(s). The Project Leader shall thereafter prepare any Joint Application(s) and submit to the Parties for their approval.

¹⁷ Number of days to be agreed and specified.

¹⁸ Delete as appropriate.

[*Alternative 1*: The Steering Committee shall meet for discussions regarding the terms of the Joint Application(s) no later than 15 (fifteen) Business Days prior to the Application Deadline and make a decision in accordance with Article 5.3.]¹⁹ [*Alternative 2*: The Parties shall agree on the terms of the Joint Application(s) in accordance with Article 5.3.]²⁰

- 7.2 If the Parties cannot agree upon the terms of the Joint Application(s) proposed by the Project Leader by the expiry of the 10th (tenth) Business Day prior to the Application Deadline, then the most competitive terms proposed by one of the Parties shall be the terms of the Joint Application(s). The terms with the most onerous overall work program, i.e. the most attractive alternative to the Ministry, shall be viewed as the most competitive terms.
- 7.3 Each of the Parties shall confirm or reject by written notice to the other Parties its willingness to proceed on the terms of the Joint Application(s) at the latest within [5 (five)]²¹ Business Days after such terms has been established in accordance with this Article 7.

If a Party has not given such notice it shall be deemed to have given notice not to participate in the Joint Application(s) and Article 14.2 and Article 14.3 shall apply.

A Party may not withdraw from the Agreement after having confirmed its willingness to proceed in accordance with this Article 7.3.

- 7.4 If the [Steering Committee/Parties]²² has determined to leave out clearly defined parts of the Area of Mutual Interest from the Joint Application(s) in accordance with Article 7.1, any Party may from the date of such final determination, proceed with applications for such parts of the Area of Mutual Interest. [If a Party decides to submit an application for such parts of the Area of Mutual Interest, all other Parties to the Agreement shall be notified.]²³
- 7.5 If a Party elects not to participate in the Joint Application(s), the other Party (or Parties as the case may be) participating in the Joint Application(s) shall not submit an application on terms less onerous than the terms proposed to and rejected by the non-participating Party.

8. EXCLUSIVITY

The Parties shall exclusively support the efforts to develop Joint Application(s) for all or parts of the Area of Mutual Interest pursuant to this Agreement.

Subject to Article 7.4, the Parties and their Affiliates shall, during the term of this Agreement, not enter into any similar arrangements with Third Parties relating to the Area of Mutual Interest, and shall not apply for any Production License in the Area of Mutual Interest alone or with any Third Parties.

¹⁹ Optional provision to be included if Alternative 1 under Article 5 is used. Notwithstanding the use of Alternative 1 under Article 5, the Parties may elect not to use such a specific timing for its discussions and may therefore decide to use Alternative 2 under this Article 7.1.

²⁰ Optional provision to be included if Alternative 2 under Article 5 is used. The Parties may also elect to use this regulation even if they elect to use Alternative 1 under Article 5.

²¹ Number of days to be agreed and specified. Note that the number of days should be aligned with the number of days used under Article 7.1 in relation to meeting the Application Deadline.

²² Delete as appropriate.

²³ Optional provision.

9. COSTS

9.1 Unless otherwise specified in this Article 9 or as otherwise agreed by the Parties, each Party shall carry its own costs incurred in respect of its own Work carried out under or in relation to this Agreement.

[Alternative 1:

9.2 The Project Leader's reasonable and documented costs incurred in performing its responsibilities under this Agreement in accordance with Article 4, shall be split between the Parties in accordance with their respective Participating Interests. The Project Leader shall prepare and present to the other Parties a statement of its costs to be allocated as aforesaid.

Costs incurred by a Party in dealings with Third Parties which will benefit the performance of the Work, such as purchase/acquisition of seismic data, studies etc. shall, if approved by the other Parties in advance and in writing, be apportioned between the Parties in accordance with their respective Participating Interests, or apportioned as otherwise agreed between the Parties on a case by case basis.]

[Alternative 2:

9.2 Notwithstanding Article 9.1, costs set out in the budget [set forth in Appendix B]²⁴ shall be split between the Parties in accordance with their respective Participating Interests. The budget shall be prepared by the Project Leader and approved by the Parties in accordance with Article 5.3. In carrying out the Work, the budget may be exceeded by up to 10 % (ten per cent), provided, however, that the Project Leader, with no undue delay, shall provide the Parties with a written notice concerning all expenses incurred which might exceed the budget.]²⁵

9.3 Invoices shall include a specification of all charges and include reasonable supporting documentation. Invoices shall be paid within 30 (thirty) days after receipt. Any late payment shall accrue interest in accordance with the Act regarding late payment (Act no. 100/1976).

9.4 The Parties agree that the cost share stipulated in this Article 9 shall be final and binding on the Parties. The cost share shall not be subject to change if the Ministry in a licence award stipulates a different apportionment of participating interests than what was applied for under this Agreement.

10. OWNERSHIP AND SHARING OF INFORMATION

10.1 Each Party shall, subject to existing confidentiality obligations, provide the other Party (or Parties, as the case may be) with relevant Confidential Information such as geological and geophysical records and data as well as reports and interpretations of such records and data it may have relating to the Area of Mutual Interest [which is further detailed in Appendix D]²⁶.

²⁴ Optional regulation to the extent such a budget has been agreed prior to signature.

²⁵ Alternative regulations. It may also be relevant to delete Article 9.2 in its entirety. In such a case then Article 9.3 should also be deleted.

²⁶ Optional regulation.

- 10.2 All Confidential Information shall remain the property of the disclosing Party. The receiving Party (or Parties) shall not disclose Confidential Information to any Third Party except as permitted in accordance with Article 11.
- 10.3 All Joint Developed Information shall be jointly owned by the Parties. Such information shall not be disclosed to any Third Party except as permitted in accordance with Article 11 [but the confidentiality period shall cease [insert time period] after the termination of this Agreement].²⁷
- 10.4 Each Party which discloses data or information hereby represents that it has the right to make such disclosure. The Parties do not make any representations or warranties in relation to the quality, accuracy or completeness of the data and information that they provide to the other Parties, and the recipient Party or Parties acknowledge the risk of errors in the interpretation, processing or acquisition of such information.

11 CONFIDENTIALITY

- 11.1 The Parties agree to keep the existence of this Agreement and the activities conducted hereunder confidential.
- 11.2 Any Party receiving Confidential Information and/or Joint Developed Information undertakes:
- a) to hold such information in confidence and agrees that in the handling and storage of such information it will employ controls, protections and safeguards at least as stringent as such Party would employ in the handling and storage of its own proprietary data and information,
 - b) not to use any such information for any purpose other than in relation to this Agreement,
 - c) not to disclose in any way, either directly or indirectly, any part of such information to a Third Party, without the prior written consent of the Party or Parties owning such information, except (and subject to such persons being made aware of the obligations of secrecy and confidentiality attaching to the information prior to disclosure):
 - i) to those employees, officers and/or directors of the Party and its Affiliate(s) who reasonably require the same for the performance of their work in relation to this Agreement;
 - ii) to such of the Party's contractors, subcontractors, consultants and/or professional advisers who need to have access to the same for the performance of their work in relation to this Agreement. The Party undertakes that each such contractor, subcontractor, consultant or professional adviser, prior to the disclosure, undertakes written confidentiality obligations at least as restrictive as herein contained but excluding the exceptions set out in this Article 11.2, and the Party shall thereafter take all reasonable precautions to observe that such contractors, subcontractors, consultants and professional advisers comply with the obligations provided therein.

²⁷ Optional regulation.

This provision shall apply mutatis mutandis in case a Third Party is being engaged by all Parties to participate in the Work;

- iii) in accordance with the relevant joint operating agreement, to a Third Party which has been awarded, or later has acquired, a participating interest in a Production Licence within the Area of Mutual Interest together with one or more of the Parties to this Agreement, provided always that any and all Confidential Information shall not be disclosed to such Third Party unless the disclosing Party to whom such Confidential Information belongs consents to such disclosure in writing;
- iv) to a bona fide intending assignee of a majority interest in a Party; and/or
- v) to any governmental department or governmental authority exercising its statutory right to require the same and to such competent authorities, courts or any relevant stock exchange where pursuant to applicable law, order, decree or regulation there is a requirement to do so binding upon the Party or any of its Affiliate(s) (in which case written notice shall be given to the other Parties prior to such disclosure).

Any Party receiving Confidential Information or Joint Developed Information shall be responsible for ensuring that all persons, to whom such information is disclosed, are bound by confidentiality obligations at least as stringent as the obligations of confidentiality set forth herein.

11.3 The obligations under this Article 11 shall not apply to information which;

- a) at the time of entering into this Agreement is lawfully in the possession of the receiving Party under no obligation of confidentiality;
- b) subsequently and lawfully comes into the receiving Party's possession;
- c) is independently developed by the receiving Party and not based on the Confidential Information; or
- d) at the time of entering into this Agreement is in the public domain or thereafter comes into the public domain other than by breach of this Agreement.

11.4 The confidentiality undertakings pursuant to this Article 11 shall apply to all Confidential Information disclosed by the Parties whether this has happened before or after the Effective Date.

11.5 In the event that any Third Party to whom a Party discloses Confidential Information or Joint Developed Information in accordance with any of the above paragraphs, other than as referred to in Article 11.2 ii), last sentence and v), breaches the obligations set out under this Agreement the Party will be liable for such breaches as if it had committed the breach itself.

11.6 No public announcement or press release of information concerning or arising out of this Agreement or any activities conducted hereunder shall be made by any Party without the prior

written consent of the other Party (or Parties, as the case may be), which shall not be unreasonably withheld or delayed, provided that notwithstanding the above a Party shall be entitled to:

- a) publicly announce its submission of an application for the Application Round, provided always that no reference is given to this Agreement or the Joint Application(s) submitted hereunder; and
- b) make such public announcements or press releases to the extent required by applicable law, or by stock exchange regulations applicable to the relevant Party or any of its Affiliates in the event that it is unable to obtain consent as aforesaid.

12 LIABILITIES AND INDEMNITIES

12.1 Each Party (hereinafter called the “Indemnifying Party”) shall defend, indemnify and hold the other Parties, their Affiliates, contractors, subcontractors and agents, and/or any of the aforesaid’s employees, harmless from and against any loss, damage and/or expense arising out of any claim for;

- a) injuries to or death of any employees of the Indemnifying Party, its Affiliates, and/or its contractors, subcontractors and agents; and/or
- b) loss of or damage to the property of the Indemnifying Party, its Affiliates, its contractors, subcontractors and agents, and/or any of the aforesaid’s employees; and/or
- c) all indirect losses, which include but are not limited to loss of profit, to the Indemnifying Party, its Affiliates, contractors, subcontractors and agents, and/or any of the aforesaid’s employees,

arising out of or connected with this Agreement, except when such claim is a result of gross negligence or wilful misconduct by the managerial and/or supervisory personnel of the relevant other Party, its Affiliates, contractors, subcontractors and/or agents.

12.2 Each Party (hereinafter called the “Indemnifying Party”) shall defend, indemnify and hold harmless the other Party (or Parties, as the case may be), its (/their) Affiliates, contractors, subcontractors and/or agents, and any of the aforesaid’s employees, against any loss, damage and/or expense arising out of any claim for injuries to or death of or damage to property or loss of income of Third Parties or any other claims from Third Parties, arising out of or in connection with this Agreement and for which the Indemnifying Party, its Affiliates, its contractors, subcontractors and/or agents or any of the aforesaid’s employees is responsible.

For the purpose of this Article 12.2, Affiliates, contractors, subcontractors and agents, and any of the aforesaid’s employees shall not be considered as Third Parties.

12.3 Notwithstanding Articles 12.1 and 12.2, if one of the Parties sustains losses arising from the Project Leader’s performance of its functions as Project Leader under this Agreement, the Project Leader shall only be liable for such losses provided it is the result of wilful misconduct or gross negligence of the managerial or supervisory personnel of the Project Leader or any of

its Affiliates. The Project Leader shall not under any circumstances be liable for indirect or consequential loss suffered by the other Parties.

The same limitation of liability shall apply to any Party carrying out assignments on behalf of the Project Leader.

13 CONDUCT OF THE PARTIES

- 13.1 The Parties shall conduct and procure that their Affiliates conduct, their activities under this Agreement in accordance with all applicable laws, rules, regulations and decrees of any governmental or regulatory body having jurisdiction over this Agreement. This shall include any applicable laws, rules and regulations relating to bribery, corruption, money laundering, fraud or similar activities.
- 13.2 No Party or any person associated with a Party, shall make, give or accept, either directly or indirectly, any improper payments of either money or anything of value to/from any party whatsoever (including another Party, private individuals, commercial organizations, government officials, political parties or officials thereof, or any candidate for political office) in connection with this Agreement. The Parties expressly prohibit payment of bribes (including facilitation payments) to any such party in relation to this Agreement.
- 13.3 Each Party shall ensure that it (i) has policies and procedures in place designed to prevent corruption, fraud, money laundering, bribery and other crimes in accordance with the applicable laws, and requiring high standards of business ethics and conduct, and (ii) maintains accurate and complete books and records and internal controls, consistent with applicable law and internationally recognized accounting principles and practices.
- 13.4 A Party agrees to notify the other Parties promptly upon discovery of any instance where it or any of its Affiliates, fails to comply with any of the provisions of this Article, to promptly take mitigating measures to minimize any adverse effect on the other Parties, and such Party shall in any event indemnify and hold harmless the other Parties and their Affiliates from and against any losses, damages and claims arising from such breach of this Article. This indemnity shall survive termination of this Agreement.
- 13.5 Any breach of this Article shall be deemed as a substantial breach of the Agreement (“vesentlig kontraktsbrudd”), and upon the request of any of the other Parties, the Party being in breach shall with immediate effect be discharged from this Agreement. The other parts of Article 3.2 shall apply mutatis mutandis.

14 WITHDRAWAL

- 14.1 Subject to Article 7.3, a Party may at its sole election withdraw from this Agreement upon such Party (hereinafter called the “Withdrawing Party”) giving [10 (ten)]²⁸ Business Days’ prior written notice to the other Parties.

[Notwithstanding the above, no Party may withdraw from this Agreement before *[insert applicable time period]*.]²⁹

- 14.2 A Withdrawing Party shall remain bound by Articles 8, 10, 11, 12, 13.4 and 16.

A Withdrawing Party shall remain liable for its Participating Interest share of any costs incurred prior to its withdrawal.

A Withdrawing Party shall maintain ownership to Joint Developed Information which has been developed prior to the withdrawal becoming effective. The Withdrawing Party may not under any circumstance require compensation for the remaining Parties’ use of such Joint Developed Information. The Withdrawing Party can only use Joint Developed Information in accordance with Articles 10 and 11. The Withdrawing Party shall respect the remaining Parties’ future decisions regarding the Joint Developed Information.

- 14.3 Following the withdrawal of a Party, the remaining Parties shall acquire the Participating Interest of the Withdrawing Party pro-rata to their existing Participating Interests or in such other proportions as may be agreed by them.

If there is only one remaining Party, such Party shall decide whether to continue the Agreement on its own or to withdraw. In case of withdrawal, the Agreement shall terminate in accordance with Article 3.1 iii).

15 MISCELLANEOUS

- 15.1 Submission of the Agreement to the Ministry

The Project Leader shall submit this Agreement to the Ministry pursuant to the Petroleum Act section 3-4.

Should the Ministry impose amendments to this Agreement, the Parties shall forthwith meet in good faith to discuss and agree whether the amendments are acceptable or alternatively to seek agreement on solutions acceptable to both the Parties and the Ministry. If the Parties fail to agree within 10 (ten) Business Days following such meeting, any of the Parties may terminate this Agreement by notice to the other Parties, with the consequence that this Agreement shall be null and void.

- 15.2 Amendments to the Agreement

²⁸ Number of days to be agreed and specified.

²⁹ Optional provision.

Any amendments to the Agreement shall be in writing and signed by the duly authorized representatives of the Parties.

15.3 Assignment

Other than an assignment of its rights and obligations under this Agreement in whole to an Affiliate, no Party may assign such rights and obligations without the prior consent of the other Parties.

15.4 Notices

Unless otherwise expressly stated, every notice and request provided for herein shall be in writing to the other Party at the following addresses:

[X]

Attn.:
Address:
E-mail:

[Y]

Attn.:
Address:
E-mail:

[Z]

Attn.:
Address:
E-mail:

16 GOVERNING LAW AND DISPUTES

16.1 This Agreement shall be governed by Norwegian law.

16.2 Without prejudice to the Parties' rights to take interim legal measures, such as injunctions etc., any dispute that may arise in connection with or as a result of this Agreement which cannot be amicably settled by the Parties shall be finally decided by arbitration in Stavanger, Norway, in accordance with the Norwegian Arbitration Act (Act no.25/2004) as subsequently amended or replaced. The Stavanger District Court shall be the proper legal venue under the Norwegian Arbitration Act Section 6. Unless otherwise agreed, the arbitration proceedings carried out and awards delivered pursuant to this Article 16.2 are confidential in accordance with the confidentiality provisions in Article 11.

Documents and statements in the Norwegian and English language shall be allowed in any procedure involving arbitration. Translation thereof shall be at the expense of the Party requesting such translation.

* * *

This Agreement is entered into and signed in [4 (four)]³⁰ originals, one for each Party and one for the Ministry.

[X]

—

Name:

Title:

Date:

[Y]

—

Name:

Title:

Date:

[Z]

—

Name:

Title:

Date:

³⁰ To be adjusted dependent on the number of Parties.

APPENDIX A – AMI AREA

[insert coordinates of area]

[insert map of area]

[APPENDIX B – BUDGET]³¹

³¹ Optional Appendix, ref. the optional regulation in Article 9.2, Alternative 2.

[APPENDIX C – LIST OF CONFIDENTIAL INFORMATION]³²

³² Optional Appendix, ref. the optional regulation in Article 1.7 Definition of Confidential Information.

[APPENDIX D – INFORMATION TO BE SHARED]³³

³³ Optional Appendix, ref. optional regulation in Article 10.1.