

STUDY AGREEMENT

between

[Host]

and

[Funding Partner]

in respect of the studies relative to the Scope of Work

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THIS AGREEMENT is entered into on this _____ day of _____ by and between:

(1) **[HOST Operator]**, acting in its capacity as operator of [PL xyz] and on behalf of the [HOST] (hereinafter referred to as the "Host Operator"); and,

(2) **[Funding Partner Operator]** acting in its capacity as operator of [PL xyz] and on behalf of the [Funding Partner] (hereinafter referred to as "Funding Partner Operator").

(the Host and the Funding Partner hereinafter collectively referred to as the "Parties" and individually referred to as "Party").

WHEREAS:

A. The Funding Partner has requested the Host Operator to carry out a host tie-in study in accordance with the Scope of Work as further defined in Appendix A; and

B. The Host Operator has agreed to carry out, and the Funding Partner has agreed to fund, the Work subject to the terms of this Agreement.

NOW, THEREFORE, the Parties hereby agree as follows:

1. Definitions

In this Agreement the following terms shall have the meanings set out below:

- a. "Affiliate" shall mean;
 - i. any enterprise which directly or indirectly holds more than fifty (50) per cent (%) of the share capital or the votes, or in any other way directly or indirectly exercises a controlling interest in a Licensee, or
 - ii. any enterprise in which a Licensee directly or indirectly holds more than fifty (50) per cent (%) of the share capital or the votes, or in any other way directly or indirectly exercises a controlling interest, or
 - iii. any enterprise of which more than fifty (50) per cent (%) of the share capital or votes are held directly or indirectly or which in any other way directly or indirectly is controlled by one or more enterprise(s) which hold directly or indirectly more than fifty (50) per cent (%) of the share capital or the votes or in any other way exercise directly or indirectly a controlling interest in a Licensee.
- b. "Agreement" shall mean this agreement including any Appendices.
- c. "Calendar Year (s)" shall mean a period of twelve (12) consecutive months, commencing on 1st January at 00:00 hours, and ending on the following 31st December at 24:00 hours.
- d. "Confidential Information" shall have the meaning as described in Article 7.
- e. "Day" shall mean any calendar day.
- f. "Funding Partner" shall mean the Licensees participating in the joint venture established in relation to Production License [...] currently with the following participating interests:
[...]
or their successors or permitted assignees.
- g. "Force Majeure" shall have the meaning ascribed to it under Article 10.
- h. "Host" shall mean the Licensees participating in the joint venture established in relation to Production License [...] currently with the following participating interests:
[...]
or their successors or permitted assignees.
- i. "Host Facilities" shall mean the facilities within PL [...] operated by the Host Operator.
- j. "Licensee(s)" shall mean an entity holding a participating interest in Host and/or Funding Partner.
- k. "Reports" shall mean draft reports and final study reports to be delivered as part of the Work hereunder.

- I. “Work” shall mean the tie-in study to be performed in accordance with the Scope of Work as further defined in Appendix A.
- m. “Working Day” shall mean any day on which banks are open in Norway for the transaction of normal banking business.

Attached to the main body of this Agreement are:

- **Appendix A:** Scope of Work
- **Appendix B:** Compensation
- **Appendix C:** Schedule

In the event of a conflict between the main body of this Agreement and the Appendices, the provisions of the main body of the Agreement shall prevail.

2. Performance of the Work – Ownership

- 2.1 The Host Operator shall perform, or cause to perform, the Work as further set out in Appendix A hereto.
- 2.2 The Parties shall act pursuant to this Agreement in accordance with applicable laws and regulations, and in a reasonable and prudent manner, i.e. using the degree of diligence, prudence and foresight reasonably and ordinarily exercised by experienced companies engaged in the same line of business under the same or similar circumstances and conditions having due consideration to the interests of the other Party. The Parties shall, to the extent necessary, co-operate in respect of all activities under this Agreement.
- 2.3 The Host Operator shall not engage any subcontractor for the purpose of performing all or parts of the Work without prior written notification to the Funding Partner Operator.
- 2.4 The Funding Partner shall be entitled to receive all relevant information developed under this Agreement related to the performance of the Work. This information will include amongst other the planning, design and the Host Operator’s cost estimation. The Host Operator shall have the right to review and exclude content from all Reports which is of a confidential nature and not necessary for the Funding Partner in order to achieve the purpose of this Agreement. The Host Operator shall provide all Reports to the Funding Partner without undue delay.
- 2.5 In case that the Funding Partner Operator requests a change in the Scope of Work, the Host Operator shall assess whether such change can be executed and shall use reasonable endeavours to accommodate such a request, but shall have no obligation to implement such change under this Agreement. If the request by the Funding Partner Operator is accepted by the Host Operator, this shall be reflected in an updated Appendix A, Appendix B and Appendix C.
- 2.6 If the Host Operator requests changes to the Scope of Work, the Funding Partner shall have the right to review, comment and approve such request before any implementation of the change in the Scope of Work.
- 2.7 The Host shall have ownership and entitlement to all results from the Work under this Agreement. The Funding Partner shall have a non-exclusive, royalty free, perpetual and irrevocable right to use all results from the Work and/or the information exchanged in respect of the Work for any future work related to the development and/or operation of Funding Partner facilities and the potential tie-in to the Host Facilities.
- 2.8 Neither of the Parties make any representation/warranties as to the accuracy or completeness of the information provided hereunder and all decisions based upon the information provided or on the studies shall be at each Party’s own risk.

3. Information

- 3.1 When the Host Operator has meetings with its subcontractors where in the Host Operator’s opinion it would be beneficial for the Parties and the provision of Work hereunder that the Funding Partner Operator attends, the Funding Partner Operator shall be given the opportunity to attend such meetings as observer, provided that such meetings relate solely to the Work and there are no confidentiality obligations or other third party rights or obligations that prevent such participation.

- 3.2 The Parties shall continuously exchange all necessary information reasonably needed for the performance of the Work hereunder.

4. Time of delivery - Progress

- 4.1 The Host Operator shall use its best endeavours in order to perform the Work within the schedule set out in Appendix C hereto, if applicable.

5. Financing of the Work

- 5.1 The Funding Partner shall provide all funds necessary to cover costs incurred in performing the Work in accordance with the compensation model set out in Appendix B hereto.
- 5.2 If the Host Operator should have cause to believe that the Work cannot be performed within such budgeted cost as set out in Appendix B hereto, then the Host Operator shall notify the Funding Partner Operator without undue delay.
- 5.3 The Host Operator shall prepare a separate account for the Work. Promptly following each month, the Host Operator shall invoice the Funding Partner Operator for all costs due under this Agreement. The invoice shall be sufficiently detailed and shall specify at least the Host Operator's own manhours and cost, the Host Operator's manhours and cost related to follow up of any subcontractors performing all or parts of the Work hereunder, and the costs allocated to such subcontractors. The Funding Partner shall pay such amount due within 15 Working Days of receipt of such invoice. Interest on late payment shall be charged according to article 1.2.2 of the Attachment B to the standard Norwegian production licence document- "Joint Operating Agreement" (the "Accounting Agreement").
- 5.4 For the sake of good order, the Host Operator shall have the right to charge research and development costs based on the Accounting Agreement article 2.2.2 and the right to charge corporate management and corporate staff costs based on the Accounting Agreement article 2.2.3.
- 5.5 When requested by the Host Operator, the Funding Partner shall provide cash advances for estimated costs. The Host Operator shall avoid accumulating unnecessary cash balances from cash advances.
- 5.6 If the Funding Partner does not comply with its obligations to make payments or cash advances pursuant to this Article, the Licensee(s) of the Funding Partner shall be jointly and severally liable for the amounts not paid. Notwithstanding article 9.3, to the extent a default lasts for more than 30 Days, the Host shall be entitled to suspend the Work or terminate this Agreement with immediate effect.

6. Review and audit

- 6.1 The Licensee(s) of the Funding Partner shall, upon notice in writing to the Host Operator, have the right to conduct periodic audits of all of the Host Operator's books, records, accounts, correspondence, instructions, specifications, drawings, receipts and other information insofar as they relate to the Work and/or to charges made pursuant to this Agreement up to two (2) Calendar Year(s) after the Calendar Year(s) during which such charges were made. The Host Operator shall store such information for no less than two (2) Calendar Year(s) after the final invoice from the Host Operator to the Funding Partner Operator pursuant to this Agreement has been submitted and in compliance with the applicable laws and regulations. The Licensees of the Funding Partner shall reasonably coordinate the performance of their audit. The Licensees of the Funding Partner shall cover all costs in respect of such audits.

7. Confidentiality

- 7.1 The Parties shall at all times give each other available information as may be necessary or useful to enable each Party to exercise its rights and carry out its obligations under this Agreement.
- 7.2 All information which a Party has received from the other Party either directly or indirectly in connection with this Agreement shall be regarded as confidential information, except information falling into any of the following categories:

- a. Information which, at the time of disclosure hereunder, is lawfully part of the public domain, or which subsequently comes into the public domain other than by breach of this Agreement;
 - b. Information which at the time of disclosure hereunder, is lawfully in the possession of the receiving Party under no obligation of confidentiality, or subsequently and lawfully comes into the receiving Party's possession under no obligation of confidentiality.
- 7.3 Each Party shall have policies and procedures designed to protect confidential information.
- 7.4 Confidential information shall not be disclosed to any third party unless otherwise agreed, except for disclosure to a Licensee's Affiliate, professional consultants, contractors, financial institutions, insurance companies or a bona fide potential assignee of a participating interest in the Host or Funding Partner production licenses or of ownership interest(s) in a Licensee which would require approval according to the Petroleum Act section 10-12, provided that a confidentiality agreement is entered into with said professional consultants, contractors, financial institutions, insurance companies or bona fide potential assignee containing the same terms and conditions as set out in this Article.
- 7.5 Nothing in this Article shall prevent a Licensee from disclosing information when such disclosure is required by applicable laws, rules or regulations or by the rules or regulations of any stock exchange on which a Licensee's shares or the shares of its Affiliate are listed or by the Securities and Exchange Commission of the United States of America.
- 7.6 Public announcement or publication of any information with respect to this Agreement may only be made with the prior written approval of the other Party, unless required by applicable law, rules or regulations. Such approval shall not be unreasonably delayed or withheld.
- 7.7 Notwithstanding Article 8 below, each Licensee(s) shall be severally liable for any breach committed by it of the confidential undertaking in this Article 7 and such Licensee shall indemnify the affected Licensee(s) that are parties to this Agreement against any direct loss or damage arising from such breach.

8. Liability

- 8.1 Unless otherwise specified in this Agreement, a Party shall only be liable towards the other Party for any loss, damage and expense arising from its performance under this Agreement if such loss is the result of either wilful misconduct or gross negligence of this Party's managerial or supervisory personnel.

9. Duration, termination and suspension

- 9.1 This Agreement shall take effect from the date hereof and shall remain in effect until terminated in accordance with the provisions below or until the Work is completed, whichever comes first.
- 9.2 The Host Operator may, by giving 90 Days written notice to the Funding Partner Operator, terminate this Agreement at its discretion. The Funding Partner Operator may terminate this Agreement at its discretion upon written notice to the Host Operator. Such termination shall have immediate effect upon receipt of the written notice by the Host Operator.
- 9.3 Either Party may terminate this Agreement in the event of substantial breach by the other Party, provided, however, that the non-defaulting Party shall give the defaulting Party 30 Days prior written notice to rectify such substantial breach.
- 9.4 The Host Operator shall take all reasonable steps to ensure that all Work will be ceased once the termination becomes effective. The Operator shall use reasonable endeavours to minimize the expenditures incurred under this Agreement as of the date of notice of termination, and after the termination of the Agreement.
- 9.5 Costs accrued after termination of the Agreement, shall be paid by the Funding Partner.
- 9.6 The Funding Partner shall receive all Reports, and any other information which the Funding Partner is entitled to under this Agreement, until the termination is effective. If the Funding Partner is required to pay for work performed after the termination is effective, the Funding Partner shall additionally receive all Reports, and any other information which the Funding Partner is entitled to under this Agreement, resulting from this work.
- 9.7 The Funding Partner shall upon reasonable notice, have the right to reject the performance of and/or to suspend the Work, or parts thereof, unless such rejection and/or suspension is in conflict with health, safety and/or environmental (HSE) requirements at the Host Facilities

as solely decided by the Host Operator. Any and all consequences following from the Funding Partner exercising such right to reject and/or suspend the Work shall be at the cost and risk of the Funding Partner.

The Host Operator shall take all reasonable steps to ensure that all Work will be ceased once the suspension becomes effective. The Host Operator shall use reasonable endeavours to minimize the expenditures incurred under this Agreement during the suspension period.

- 9.8 The obligations set out in Article 5, 6, 7, 8, 9 and 12.4, shall survive any termination of this Agreement.

10. Force Majeure

- 10.1 The Parties shall be relieved from liability for failure to perform any of their obligations hereunder, except in relation to obligations to make payments due or to indemnify the other Party, for the period occasioned by any circumstances which are beyond their reasonable control and which could not have been reasonably foreseen by such Party at the time this Agreement was entered into ("Force Majeure"), provided that the Party seeking relief hereunder shall forthwith:
- a. notify the other Party of the event causing the failure and with reasonable diligence furnish all available information about the cause of the event and estimate the time required to remedy the failure, and
 - b. take all reasonably practicable steps to rectify the circumstances preventing the performance of its obligations immediately after those circumstances arise and to minimise the damage caused thereby, but shall not be obliged to settle any labour dispute except in such manner as it shall in its judgement consider fit.
- 10.2 Events constituting Force Majeure shall include, but not be limited to laws and other acts of governmental authority, strikes, lockouts, civil disturbance and terrorist acts, war, fire, explosions.
- 10.3 If a Force Majeure event has exceeded or is reasonably estimated by the Parties to exceed a period of one (1) month, then the Party shall meet to discuss how to remedy the situation, including a possible termination of the Agreement.

11. Notices

- 11.1 Notices pursuant to this Agreement shall be sent in writing. Notices may be communicated by delivery, mail, telefax or electronic mail. Any such notice, given as aforesaid, shall be deemed to have been given or received at:
- a. the time of delivery if delivered by hand;
 - b. the first Working Day following the day of sending, or the Working Day at which confirmation of successful delivery is received by sender from recipient whichever is earlier if sent by telefax or electronic mail; or
 - c. the fifth Working Day following the day of sending if sent by prepaid first class post.
- 11.2 The use of electronic mail for the transfer of documents shall at all times be in accordance with internationally recognised standards. The chosen standard shall enable the use of digital signatures or similar electronic safety device, encryption as well as filing and retrieving.
- 11.3 Notices and other communications shall be given in English or Norwegian, and shall be dispatched to the most recently stated business addresses of the Operator of the other Party and/or electronic mail addresses and/or telefax numbers.
- 11.4 Initial addresses for notices are:
- a. Host Operator:
Adresse:
Attention:
Email:
 - b. Funding Partner Operator:

Addresse:

Attention:

Email:

- c. The above addresses may be revised by either Party by giving not less than 5 Working Days notice.

12. Conduct of the Licensees

- 12.1 The Licensee(s) 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.
- 12.2 No Licensee(s) or any person associated with a Licensee(s), shall make, give or accept, either directly or indirectly, any improper payments of either money or anything of value to/from any party whosoever (including another Licensee(s), private individuals, commercial organizations, government officials, political parties or officials thereof, or any candidate for political office) in connection with this Agreement. The Licensee(s) expressly prohibit payment of bribes (including facilitation payments) to any such party in relation to this Agreement.
- 12.3 Each Licensee(s) 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.
- 12.4 A Licensee(s) agrees to notify the other Licensee(s) 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 Licensee(s), and such Licensee(s) shall in any event indemnify and hold harmless the other Licensee(s) and their Affiliates from and against any losses, damages and claims arising from such breach of Article 12 and in no event shall a Licensee(s) be held liable for another Licensee(s)'s breach of this Article 12.

13. Dispute Resolution and Applicable Law

- 13.1 This Agreement shall be governed by and construed in accordance with Norwegian law.
- 13.2 The Parties shall act in good faith and at all times endeavour to resolve any dispute between themselves in connection with or arising out of this Agreement.
- 13.3 A Party or a Licensee(s) of one Party shall have the right to pursue and defend rights, duties, obligations and liabilities under this Agreement which it may have towards the other Party or Licensee(s) of a Party. A licensee(s)'s pursuit and defense of its individual rights, duties, obligations and liabilities shall be limited to the Licensee(s)'s proportional share of such rights, duties, obligations and liabilities corresponding to the Licensee(s)'s participating interest in the relevant Party.
- 13.4 In the event that the Parties are not able to resolve a dispute between themselves, the dispute shall be referred to court proceedings in [place], Norway.

In witness hereof, the Parties have executed this Agreement in 2 originals on the date and year first above written of which the undersigned shall keep one each.

[HOST operator]

[Funding Partner Operator]

Appendix A - Scope of Work

1. Heading

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Appendix B - Compensation

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Appendix C - Scedule

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