

- (i) determine the amount of the Estimated In-Kind Royalty by:
 - (A) determining the Estimated R Factor and then the Estimated Royalty Percentage for the First Period or that Calendar Quarter, as the case may be;
 - (B) multiplying the Estimated Royalty Percentage determined in accordance with Article 13.5.(a)(i)(A) by the Estimated Production for the First Period or that Calendar Quarter, as the case may be; and
 - (C) multiplying the amount determined in accordance with Article 13.5.(a)(i)(B) above by a percentage which is equal to the percentage of the Royalty for that Calendar Year which the Lessor is deemed to have elected to take Royalty in-kind in accordance with Article 13.3;
- (ii) with the Lessor, prepare a programme pursuant to which the Lessor shall take delivery of such Estimated In-Kind Royalty during such period, and the Lessee shall be obliged to deliver the Estimated In-Kind Royalty in accordance with the agreed programme at the delivery point agreed between the Parties in the Development and Production Programme.

(b) On the In-Kind Royalty Calculation Date in respect of the First Period and each subsequent Calendar Quarter the Lessee shall determine the amount of the In-Kind Royalty by:

- (i) determining the R Factor and then the Royalty Percentage for the First Period or that Calendar Quarter, as the case may be;
- (ii) multiplying the Royalty Percentage determined in accordance with Article 13.5.(b)(i) above by the Actual Production for the First Period or that Calendar Quarter, as the case may be; and
- (iii) multiplying the amount determined in accordance with Article 13.5.(b)(ii) by a percentage which is equal to the percentage of the Royalty for that Calendar Year which the Lessor is deemed to have elected to take in kind in accordance with Article 13.3.

(c) If the Estimated In-Kind Royalty for the First Period or any subsequent Calendar Quarter is less than or greater than the Actual In-Kind Royalty for the same period, then an appropriate adjustment shall be made to future In-Kind Royalties or Cash Royalties to be delivered or paid by the Lessee to the Lessor in order to correct any such difference according to the provisions of article 2.3(b) of the Presidential Decree.

3.6 If a Cash Royalty shall become due to the Lessor, each Co-Lessee, according to its interest in this Agreement, shall acquire ownership of any extracted Hydrocarbons by acquiring possession thereof at the wellhead. If an In-kind Royalty shall become due to the Lessor, the Lessor and each Co-Lessee shall become, as from the time of the extraction of the Hydrocarbons until actual delivery of the Royalty to the Lessor is made in kind, joint owners thereof in proportions by which

the Lessor's Royalty entitlement and the Lessee's Royalty entitlement (after deduction of the Lessor's Royalty entitlement) for the First Period or for that Calendar Quarter, as the case may be, bear to the total volume of Hydrocarbons Produced and Saved in the First Period or in that Calendar Quarter, as the case may be.

- 13.7 Within fourteen (14) calendar days of the end of the First Period and of the end of each subsequent Calendar Quarter, the Lessee shall submit to the Lessor a statement showing the Actual Production for the First Period or for that Calendar Quarter, as the case may be, in accordance with the procedure and as contemplated in Section 5 of Annex C.
- 13.8 The Lessee shall bear all risks, costs and expenses associated with the Lessor's In- Kind Royalty up to the delivery point agreed between the Parties in the Development and Production Programme, and the Lessor shall bear all risks, costs and expenses beyond that delivery point.
- 13.9 Subject to the provisions of this Article concerning the Lessor's right to take an In- Kind Royalty, each Co-Lessee shall be entitled to export freely any Hydrocarbons and By-Products produced..
- 13.10 Without prejudice to the provisions of Article 1.4 and notwithstanding anything to the contrary in this Agreement, any payment due to the Lessor under this Article 13 shall be made by the Lessee.

ARTICLE 14 - TAXATION

The tax regime of this Agreement is exclusively governed by the provisions of the present Article, and, with the exception of paragraph 5 of article 8 and paragraphs 10 and 11 of article 9 of Law 2289/1995, the provisions of articles 8 and 9 of Law 2289/1995 (Official Government Gazette Vol. A' 27) do not apply.

- 14.1 Each Co-Lessee shall be subject to a special income tax, at a rate of twenty per cent (20%) and to a regional tax, at a rate of five per cent (5%), without any additional ordinary or extraordinary contribution, duty or other encumbrance of any kind, in favour of the State or any third party. The tax shall be imposed on the net taxable income earned by each Co-Lessee's contractual operations, as determined by the provisions of this article of this Agreement. Each Co-Lessee will be jointly and severally liable for the income tax due by the remaining Co-Lessees. The imposition of this tax exhausts the income tax obligations of each Co- Lessee as well as its shareholders/partners/members, with respect to the profits resulting from its contractual operations. The assessed tax is payable in one payment. Notwithstanding the provisions of the Income Tax Code and the Taxation Procedures Code, each Co-Lessee shall be exempted from the obligation of advance payment of income tax for the tax corresponding to income arising from its contractual operations.
- 14.2 All the works, the purchases of fixed assets and the other expenses which are required for the fulfillment of the purposes of the present Agreement as stipulated in detail in paragraph 7 of the present Article are carried out by the Operator in its name on behalf of the Co-Lessees. The Operator concludes the required contracts, receives the relevant invoices in accordance with the

tax legislation as in force and records them in its books separately per each exploration or exploitation area. The Operator issues a monthly clearance document until the 15th day of the following month allocating the above expenses to each Co-Lessee in accordance with the percentage that each Co-Lessee holds in the present Agreement. VAT, where applicable, is passed on to each Co-Lessee through the clearance document. The clearance document which constitutes a record to be used for the accounting entries in the books of the Co-Lessees and the Operator, is accompanied by copies of the relevant records, by which the initial entries in the books of the Operator have been made. In case the Operator is one of the Co-Lessees the allocation concerns the remaining Co-Lessees. The amounts received by the Operator from the Co-Lessees for covering the expenses of the Operator do not constitute gross revenues of the Operator for the purposes of this Article and for income tax purposes. In addition to the expenses which are allocated to each Co-Lessee as above, each Co-Lessee shall have the right to deduct expenses stipulated in paragraph 7 of the present Article and carried out by the Co-Lessee itself.

- 14.3 Each Co-Lessee shall maintain books and records that fully reflect its transactions, according to tax legislation and the accounting standards that are prescribed under Greek legislation, and in which it shall maintain separate income and expenses accounts for each exploration or exploitation area.
- 14.4 The amounts that are recorded as income and expenses in the accounts specified in the preceding paragraph, shall be determined in paragraphs 6, 7 and 8 of this article. Specifically with regard to licenses that fall within the provisions of Law 2289/1995, up to fifty per cent (50%) of the expenses of exploration operations in one Contract Area may be included in the expenses of another Contract area for which the Lessee or each Co-Lessee holds an exploitation license according to the provisions of Law 2289/1995 and has commenced the production of hydrocarbons. Such a transfer of expenses is realized, in the case of each Co-Lessee, in accordance with its participation percentage in the present Agreement. Both exploration operations expenditures and the related depreciations of this category are accounted for in separate accounts in the books of each Co-Lessee. Net taxable income shall be the difference resulting between the amounts credited as income and the amounts debited as expenses as such amounts are shown in the consolidated account for the entire contract area.
- 14.5 For the purposes of determining each Co-Lessee's annual taxable income, the permissible depreciation level of the value of the expenses incurred for exploration and the exploitation infrastructure and the remaining fixed assets, including expenses incurred prior to the production of hydrocarbons and expenses of the first establishment, recorded in the income and expenses account in accordance with paragraph 7, is equal to forty percent (40 %) of the value of the annually Produced and Saved Hydrocarbons and By-products. Any depreciation taking place in accordance with the above may not exceed the expenses incurred for exploration and the acquisition value of the assets to be depreciated. The value of the annually Produced and Saved Hydrocarbon and By-products is determined in accordance with article 16 of this Agreement.
- 14.6 The income and expenses account of each exploitation area is credited with the following:

- (a) the value of the hydrocarbons and their by-products produced and sold by the each Co-Lessee;
- (b) the value of royalties paid in kind to the Lessor;
- (c) the proceeds of the sale of assets to the extent that such proceeds exceed the acquisition value thereof and, in the case of fixed assets, to the extent that such proceeds exceed the value thereof not yet depreciated; and
- (d) any other income connected with the contractual operations or, deriving from the transportation of products through the Lessee's pipelines on behalf of independent third parties, within the country and within areas defined by paragraph 1 of article 148 of the Mining Code or resulting from the receipt of any insurance or other compensation.

In the event that any of the above revenues are derived by the Operator in the name and on behalf of the Co-Lessees such revenues will be allocated to the Co-Lessees by application of paragraph 2.

14.7 The income and expenses account of each exploration or exploitation area is debited with the following:

- (a) the expenses that are incurred for the exploration, the exploitation infrastructure and the other fixed assets, including expenses incurred prior to the commencement of the exploitation of hydrocarbons, as well as the expenses of the first establishment, which are calculated in accordance with paragraph 4 of this article;
- (b) current production expenses, and particularly the expenses incurred for materials, supplies or energy used or consumed, salaries and related expenses and expenses incurred for services provided by third parties;
- (c) general expenses incurred in the country for the Co-Lessee's contractual operations, including specifically expenses for salaries, rental costs for fixed and movable assets and insurance premiums;
- (d) amounts for salaries of managers or employees of the Co-Lessee's offices abroad and for general administrative expenses of such offices according to the services provided by them relating to the contractual operations. Such amounts shall not exceed a percentage of the corresponding expenses incurred in Greece, as determined by P.D. 127/29.05.1996 (Official Government Gazette Vol. A' 92);
- (e) amounts of interest on loans and other bank charges incurred for the purpose of securing financing or enabling each Co-Lessee to obtain credit in any other manner for the performance of the contractual operations, with the exception of exploration operations and the delineation of deposits. The following interest charges shall be excluded: 1) the amounts by which the interest paid exceeds a reasonable interest rate according to the arm's length principle; 2) the amounts by which the revenues from the production of

hydrocarbons are used to finance capital investments in fixed development assets during the production;

- (f) amounts for bad debt provisions according to the provisions of the Income Tax Code as well as any compensation paid for damages caused to third parties;
- (g) the non-depreciated value of destroyed or abandoned assets;
- (h) any other current expense or loss relating to the contractual operations, provided that such expense or loss shall be deductible from the gross income in accordance with the general income tax provisions;
- (i) any amount deposited in a special account held with one or more banks lawfully operating in Greece, which shall be used for the satisfaction of the Lessee's obligations relating to the termination of the exploitation. The amount accumulated shall appear in a reserve account and, any amount not used shall be taxed upon the termination of exploitation;
- (j) any amount of the Royalty to be paid in cash or in kind, as determined in accordance with article 13 of this Agreement.

- 14.8 Revenues and expenses that cannot be attributed exclusively to a specific exploitation area are apportioned between all of the exploitation areas of the contract area, as more particularly prescribed by P.D. 127/29.05.1996 (Official Government Gazette Vol. A' 92).
- 14.9 The value of the hydrocarbons and their by-products is determined in accordance with article 16 of this Agreement.
- 14.10 Losses incurred in respect of a particular Exploitation Area prior to the commencement of any exploitable production shall be carried forward without any restrictions for such period. From the commencement of any exploitable production and thereafter, the general income tax provisions shall apply in relation to the carrying forward of losses..
- 14.11 In the event of a suspension of exploitable production in accordance with article 26 of this Agreement, the suspension period shall not be taken into account for the purposes of calculating the time period for which the transfer right of taxable losses applies in accordance with the general income tax provisions.
- 14.12 The actions of: the grant of hydrocarbon exploration and exploitation rights to the Lessee in accordance with this Agreement, the transfer of rights by each Co-Lessee pursuant to agreements concluded in accordance with paragraphs 4 to 8 of article 7 of Law 2289/1995 and Article 20 of this Agreement, the sale of hydrocarbons produced by each Co-Lessee, the project contracts entered into for contractual purposes by the Lessee with contractors and by contractors with subcontractors, the lease, the granting or the acquisition in any other manner of the use of property in accordance with the provisions of this Agreement shall be objectively exempt from any general or special, ordinary or extraordinary tax, duty, stamp-duty, dues, ordinary or extraordinary contribution and deduction and are generally exempted from any financial charge in favor of the

State and any third party. With respect to VAT, the provisions of the VAT Code (Law 2859/2000), as in force, shall apply. The capital gains resulting from the first transfer of the rights of each Co-Lessee pursuant to agreements concluded in accordance with paragraphs 4 to 8 of article 7 of Law 2289/1995 and Article 20 of this Agreement that is effected during a period of six (6) months from the commencement date of this Agreement is exempt from income tax, provided that the consideration paid does not exceed the aggregate amount of payments made by such person for the implementation of the contractual operations against the proportion transferred.

- 14.13 The loan or credit agreements granted to each Co-Lessee by banks or financial institutions or legal entities of any nature foreign or domestic, in order for the contractual operations for hydrocarbons exploration and exploitation to be performed, the interest accrued and its payment, as well as the payments (cash calls) paid by each Co-Lessee to the Operator shall be objectively exempt from any general or special, ordinary or extraordinary tax, duty, stamp-duty, dues, ordinary or extraordinary contribution and deduction and are generally exempted from any financial charge in favor of the State and any third party, save for the contribution of Law 128/75. Interest accrued on the aforementioned loan and credit agreements are not exempt from income tax. With respect to VAT, the provisions of the VAT Code (Law 2859/2000), as in force, shall apply.
- 14.14 The above provisions shall apply notwithstanding the provisions of the Income Tax Code (Law 4172/2013 (Official Government Gazette Vol. A' 167), which shall apply only with respect to issues that are not addressed by this article.
- 14.15 The Code on taxation of inheritance, donations, gifts inter vivos and lottery gains, as ratified by the first article of Law 2961/2001 (Official Government Gazette A' 226) shall apply in the event that the conditions for its application are met.

ARTICLE 15 - FEES AND BONUSES

15.1 The Lessee shall pay the following surface fees:

- (a) Ten (10) Euros per square kilometer of the Contract Area annually during the Exploration Stage (First Phase);
- (b) Fifteen (15) Euros per square kilometer of the Contract Area annually during the Exploration Stage (Second Phase);
- (c) Twenty (20) Euros per square kilometer of the Contract Area annually during the Exploration Stage (Third Phase) and any extension thereof as provided for in Article 2.3; and
- (d) in addition to any fees paid in respect of paragraphs (a), (b) and (c) above, two hundred (200) Euros per square kilometer of the Exploitation Area annually during the Exploitation Stage.

For the Calendar Year in which this Agreement is executed, the surface fee set forth in paragraph (a) above shall be prorated from the Effective Date through December 31st of said Calendar Year, and shall be paid within thirty (30) calendar days after the Effective Date.

For succeeding Calendar Years, the surface fees set forth in paragraphs (a), (b) and (c) above shall be paid in advance, thirty (30) calendar days before the beginning of each Calendar Year.

For the Calendar Year in which the Exploitation Period commences with regard to the Contract Area, the surface fee set forth in paragraph (d) above shall be prorated from the date the Exploitation Period commences through December 31st of said Calendar Year.

For succeeding Calendar Years the surface fees set forth in paragraph (d) above shall be paid in advance, thirty (30) calendar days before the beginning of each Calendar Year.

Surface fees shall be calculated based on the surface of the Contract Area and, where applicable, of the Exploitation Area(s) held by the Lessee on the date of payment of said surface rentals. In the event of a surface relinquishment during a Calendar Year or in the event of Force Majeure, the Lessee shall have no right to be reimbursed for any surface fees already paid.

15.2 The Lessee shall pay the following amounts as a bonus:

- (a) Five hundred thousand Euros (500.000 €) as signature bonus within thirty (30) calendar days after the Effective Date;

- (b) A one-time bonus of One million and five hundred thousand Euros (1.500.000 €) after cumulative production from the Contract Area first reaches Ten million barrels of oil equivalent (10.000.000 boe);
- (c) A one time bonus of Seven million and five hundred thousand Euros (7.500.000 €) after cumulative production from the Contract Area first reaches Fifty million barrels of oil equivalent 50.000.000 boe);
- (d) A one time bonus of Fifteen million Euros (15.000.000 €) after cumulative production from the Contract Area first reaches One hundred million barrels of oil equivalent (100.000.000 boe);

Such payment shall be made within thirty (30) calendar days following the last day of the sixty (60) calendar days' period.

The surface fees and bonuses required under this Article shall not be included in the Cumulative Total Outflows for the purposes of calculating the Royalty under Article 13.

15.3 The Lessee shall also contribute to the training and improvement of the professional skills of the local staff in accordance with the provisions of the Hydrocarbon Law and a plan established in agreement with the Minister at the end of each Calendar Year. For that purpose:

- (a) during the Exploration Stage, the Lessee shall spend on said plan or, at the Minister's election, place at the disposal of the Minister for implementing said plan, a minimum amount of Fifty thousand Euros (50.000 €) per year; and
- (b) from the date that the Lessee declares a Discovery to be commercially exploitable under Article 7.4, said amount shall be increased to One hundred thousand Euros (100.000 €) per year.

15.4 All payments from the Lessee to the Lessor under this Agreement shall be made free of any deduction including, without limitation, any deduction by way of claim, counterclaim or set off.

ARTICLE 16 - VALUATION OF HYDROCARBONS

Taking into account the provisions of the Presidential Decree, the value of any Hydrocarbons Produced and Saved shall be determined as follows:

16.1 For Crude Oil

- (a) In the case of Arm's Length Sales (as defined herein below) of Crude Oil by the Lessee to Independent Third Parties: the price shall be the price free on board at the place of loading, ("FOB Greece Point of Delivery") actually realised by the Lessee provided that the said price is true and reasonable. A price shall be considered reasonable if it does not unduly differ

from the official selling price, as fixed from time to time by the major crude oil exporting countries for Crude Oil closest in quality to that produced and sold by the Lessee, after adjustment of such price to allow for variations-in specific gravity, sulphur content, volumes, transportation costs and terms of sale (the "Official Price"). In the event of Cost Insurance Freight (CIF) sales, appropriate deductions shall be made for applicable insurance and freight charges to calculate the FOB Greece Point of Delivery price.

(b)

(i) In the case of sales by the Lessee to Affiliate Enterprises and in the case of quantities retained by the Lessee for its own refining or use, and for any Crude Oil received in kind by the Lessor: the average weighted price, free on board (FOB) at the place of loading, in each Calendar Quarter, as established by Arm's Length Sales of similar types of Crude Oil effected during such quarter from the production of the Contract Area by the Lessee to Independent Third Parties and by the Lessor to third parties.

(ii) If, during any Calendar Quarter, no Arm's Length Sales of any type of Crude Oil have been made by the Lessee to Independent Third Parties, nor by the Lessor to third parties, other than to legal entities directly or indirectly controlled by the State or to other states, the price shall be the Official Price.

(c) In the event that, for the purposes of paragraphs (a) and (b) of this Article 16.1, the Parties cannot ascertain the Official Price of the Crude Oil produced and sold, then the price shall be as determined in accordance with paragraph (e) of this Article 16.1 for Crude Oil which, at the time of the calculation, is being freely and actively traded in the international market and has similar characteristics (such as, by way of example only, specific gravity and sulphur content) to the Crude Oil in respect of which the price is being determined (the "Marker Crude"). The FOB selling price for the Marker Crude shall be ascertained from the Platts Crude Oil Market Wire daily publication ("Platts").

(d) In the event the Parties fail to agree upon the identity of the Marker Crude, Article 16.3 shall apply.

(e) The price, for the purposes of paragraph (c) of this Article 16.1, shall be the arithmetic average price per barrel of the Marker Crude during the preceding five consecutive days high and low FOB prices for each day, as published by Platts, of the Marker Crude after adjustment of such prices to allow for variations in quality, transportation costs, delivery time, payment terms, the market area in which the Crude Oil is being sold, the prices available within the domestic market, product yield, seasonal variation in price and demand, market trends, other contract terms to the extent known and other relevant factors. Where the calculation for the average price includes a weekend or a day upon which Platts is not published, then the last published price shall be applied for the day or days upon which Platts is not available.

- (f) The FOB prices referred to in paragraph (e) of this Article 16.1 shall not include official sales prices set by governmental authorities or other prices established in government transactions, exchanges, barter, spot sales, restricted or distress transactions, any other transactions which are associated with special financial or commercial considerations or other dispositions not consistent with prevailing market prices for similar Crude Oil.
- (g) In the event that Platts ceases to be published for a period of 30 consecutive days, the Parties shall agree on an alternative daily publication of similar nature and stature used in the international petroleum industry. If the Parties cannot agree on the identity of an alternative daily publication as aforesaid, Article 16.3 shall apply.
- (h) For the purposes of this Article 16.1, the expression "Arm's Length Sales" means sales entered into between a willing seller and a willing purchaser on commercial terms reflecting current open market conditions and excludes exchanges, barter, 'restricted or distress transactions or any other transaction which is associated with special financial or commercial considerations.

16.2 For Natural Gas, Condensate and other Hydrocarbons and By-Products

- (a) In the case of Hydrocarbons and By-Products other than Crude Oil, if any, sold by the Lessee, the price shall be the actual selling price as realised by the Lessee provided that the said price is true and reasonable. A price shall be considered reasonable if it takes account of prices current from time to time on the international market, the particular characteristics of the product, and the price of alternative fuels in the place to which the gas is delivered.
- (b) In the case of Hydrocarbons and By-Products other than Crude Oil retained by the Lessee for its own use or received in kind by the Lessor, the price shall be agreed by both the Lessor and the Lessee, account being taken of the price referred to in the preceding paragraph (a).

16.3 Final Determination

In the event of any difference, dispute or failure to agree between the Lessor and the Lessee about the value or price of any Hydrocarbons or the manner in which such value or price is to be determined, in accordance with the provisions of this Article, the matter or matters at issue shall be subject to final determination by the Sole Expert in accordance with Article 23.

16.4 For the purposes of this Article, any reference to the "Lessee" shall be deemed to be a reference to the Lessee or any Co-Lessee.

ARTICLE 17 - MEASUREMENT OF HYDROCARBONS AND BY-PRODUCTS

- 17.1 The Lessee, using international standard measurement methods in accordance with Good Oilfield Practices, shall measure all Hydrocarbons extracted at their place of extraction and shall also measure all Hydrocarbons and By-Products Produced and Saved pursuant to Article 17.2.
- 17.2 Representatives of the Lessor shall have the right to be present at and observe such measurement and to examine and test whatever appliances are used. If, upon such examination or testing, any appliance shall be found to be out of order or defective in any way, the Lessor may require that the same be put in order or replaced by the Lessee, and if any such request is not complied with within a reasonable time specified by the Lessor, the Lessor may cause the said appliance to be put in order or replaced and may recover from the Lessee the cost of so doing.
- 17.3 If upon examination by the Lessor, as aforesaid, any error or defect is discovered in an appliance, such error or defect shall be deemed to have existed for three Months prior to its discovery or from the date of the last examination and testing, whichever last occurred and quantities shall be adjusted accordingly.
- 17.4 If the Lessee desires to effect modifications to the measuring instruments, it shall give reasonable advance notice to the Lessor to enable the latter's representatives to attend the modifications.

ARTICLE 18 - SATISFACTION OF DOMESTIC REQUIREMENTS

- 18.1 Pursuant to paragraph 1 of article 7 of the Hydrocarbons Law, in case of war, danger of war or any other state of emergency, the Lessee shall, upon request by the State, sell to the latter all or a specified portion of its share of the production of Hydrocarbons and By-Products from the Exploitation Area.
- 18.2 The price charged for the quantities of Hydrocarbons and By-Products sold to the State pursuant to Article 18.1, shall be the price fixed for the Hydrocarbons and By- Products received in kind by the Lessor, in accordance with Article 16.

If, in the case of Crude Oil, the price taken is the average weighted price under Article 16.1(b) pending the determination of such price, payment for the quantities sold to the State during each Calendar Quarter shall be provisionally based on the corresponding average weighted price of the preceding quarter, any resulting differences being adjusted after determination of the definitive average weighted price. Detailed payment terms for such sales will be included in the relevant sales agreement.

ARTICLE 19 – RECORDS, REPORTS AND DATA INSPECTIONS

19.1 The Lessee shall, as specified in the present Article:

- (a) keep current, complete and accurate records in the State of all Petroleum Operations and its activities in the Contract Area;
- (b) permit the Lessor's representatives to inspect the Petroleum Operations and the records kept according to paragraph (a) above;
- (c) submit to the Lessor all Data, as required pursuant to paragraph 10 of Article 7 of the Hydrocarbons Law; and
- (d) maintain the Proprietary Data in Greece and ensure that the Lessor has unrestricted access to such data, as required pursuant to paragraph 10 of Article 7 of the Hydrocarbons Law.

19.2 The following reports and data shall be supplied to the Lessor without delay upon being drawn up or obtained:

- (a) copies of geological surveys with supporting material, accompanied by the relevant maps;
- (b) copies of geophysical surveys with supporting material, as well as copies of recorded seismic magnetic tapes; and interpretation reports;
 - (i) in the case of drilling, daily reports while drilling is in progress and copies of records containing full particulars of;
 - (ii) the drilling, operations, deepening, testing, plugging and abandonment of wells;
 - (iii) the strata and subsoil through which wells are drilled;
 - (iv) the casing inserted in wells and any alteration in such casing; and
 - (v) any formation water, other minerals as per Article 7.2, or dangerous substances encountered;
- (c) copies of records on production tests carried out, as well as any survey relating to the initial production of each well;
- (d) copies of all analysis reports of core samples and sampling procedure followed;
- (e) copies of any other technical reports which may be drawn up regarding the Petroleum Operations; and

- (f) daily production reports and all relevant information related to production.
- 19.3 The Lessee shall, without delay after their execution, submit (in hard or electronic copy) to the Lessor copies of all contracts entered into by it with suppliers (including Affiliated Enterprises), contractors and sub contractors and others with respect to Petroleum Operations. The Lessor may ask for clarification of the terms and prices of these contracts.
- 19.4 The Lessee shall submit to the Lessor detailed quarterly and annual financial and technical reports of its activities under the Agreement. Quarterly reports shall be submitted within one (1) Month of the expiration of each Calendar Quarter and the annual report within three (3) Months of the end of each Calendar Year.
- 19.5 Within three (3) Months of the end of the Calendar Year in question - unless a shorter period is provided for lodging the tax return under paragraph 5 of article 8 of the Hydrocarbons Law, in which case this shorter period shall also apply - the Lessee shall submit to the Lessor copies of income and expenditure accounts and of balance sheets drawn up in accordance with Annex C.
- 19.6 The Lessee shall submit representative samples of drilling cores and cuttings taken from each well, as well as samples of production fluids. Upon the expiration of this Agreement, samples of drilling cores and cuttings remaining in the possession of the Lessee shall be delivered up to the Lessor.
- 19.7 The Lessor warrants that it has title to all State Data and grants to the Lessee an unconditional, royalty free, licence only for those State Data held or developed by the Lessor until the Effective Date valid for the duration of this Agreement to access, retain and use such data for the purposes of conducting the Petroleum Operations. The Lessor shall have title to all Data and grants the Lessee an unconditional royalty free licence valid for the duration of this Agreement to access, retain and use such data for the purposes of conducting the Petroleum Operations. Such licences shall be exclusive in respect of State Data and Data relating to all parts of the Contract Area which have not been relinquished or surrendered by the Lessee and non-exclusive for the areas relinquished or surrendered by the Lessee during the term of this Agreement. Notwithstanding the above, the Lessor shall keep the State Data in relation to the Contract Area confidential but shall be entitled to disclose such data for the purposes of promoting tenders with respect to exploration and production of hydrocarbons in adjacent areas.
- 19.8 The Lessor acknowledges the proprietary rights of the Lessee in the Proprietary Data, which shall continue to be the property of the Lessee.
- 19.9 The Lessee shall duly submit, upon request, all Data and Proprietary Data for statistical purposes as may be required under the Law.
- 19.10 The Lessee shall promptly report to the Lessor every discovery of fossil and minerals as per Article 7.2.

19.11 The Lessor shall keep all Data and Proprietary Data received from the Lessee in relation to all parts of the Contract Area confidential. It may, however, subject to the provisions of Articles 19.15 and 19.16, disclose such data under its responsibility and subject to a separate undertaking of confidentiality being executed, to independent scientific institutions or consultants, acting as the Lessor's adviser in relation to the Petroleum Operations. It may also use the said data in the conduct of an arbitration or during litigation between the Parties.

19.12 The Lessee shall not unreasonably withhold its consent to requests of the Lessor to publish or communicate to independent scientific and academic institutions for scientific purposes, specific parts of the Data if this can be done without detriment to the Lessee's interests.

19.13 The Lessor and its representatives:

(a) shall have rights to:

(i) access the Contract Area at all reasonable times and reasonable intervals and with reasonable prior written notice to the Lessee, at their own risk (save where injury or damage results from the gross negligence or willful misconduct of the Lessee) and expense;

(ii) observe Petroleum Operations; and

(iii) inspect all assets, records, Data and Proprietary Data owned or maintained by the Lessee relating to Petroleum Operations,

provided that the Lessor and its representatives shall not interfere with the Petroleum Operations in exercising such rights; and

(b) may make a reasonable number of surveys, drawings, tests and copies for the purpose of monitoring the Lessee's compliance with the terms of this Agreement. In so doing, the Lessor and its representatives shall be entitled to make reasonable use of the equipment or instruments of the Lessee provided that no damage to the equipment or instruments or interference with the Petroleum Operations which results from such use. The Lessor and its representatives shall be given reasonable assistance by the Lessee for such functions, and the Lessee shall afford to the Lessor and its representatives all facilities and privileges afforded to its own personnel in the field, including the use of available office space and housing free of charge.

19.14 Except as provided in Articles 19.12, 19.15 to 19.20, for the term of this Agreement, all Data acquired by the Lessee in the course of this Agreement shall be kept confidential and not reproduced or disclosed to third parties by either Party to this Agreement without the prior written consent of the other party. The Lessee shall treat all State Data as confidential and shall not have any rights over the aforementioned data other than the rights of Article 19.7.

19.15 The Lessor shall keep Data confidential and shall not reproduce or disclose such data to third parties without the prior written consent of the Lessee. Notwithstanding the foregoing the Lessor

shall be entitled to reproduce or disclose to third parties Data that relate exclusively to any part of the Contract Area that is relinquished or surrendered by the Lessee in accordance with this Agreement.

19.16 All Proprietary Data shall be kept confidential and not reproduced or disclosed to third parties by the Lessor without the prior written consent of the Lessee. Notwithstanding the foregoing the Lessor shall be entitled to reproduce or disclose Proprietary Data to third parties at the expiry of a period of five (5) years from the termination of this Agreement or from the relinquishment of any part of the Contract Area only for these Proprietary Data which correspond to the area of relinquishment.

19.17 The provisions of Article 19.14 and 19.15 shall not prevent disclosure by:

- (a) the Lessee to the government of the place of its incorporation or of any other jurisdiction in which it operates or any department, agency or instrumentality thereof if required by the law in that jurisdiction or to recognised stock exchanges on which shares of the Lessee or its Affiliate Enterprises are traded if required by law or rules thereof;
- (b) the Lessee to an Affiliate Enterprise or to its contractors or their subcontractors or to their professional advisors, financial institutions or insurance companies if they consider it reasonably necessary for the purposes of conducting Petroleum Operations;
- (c) the Lessee to bona fide prospective assignees of a participating interest in this Agreement, a corporation with which the Lessee or any Affiliate Enterprise is conducting bona fide negotiations directed towards a merger or consolidation or disposal of its share capital, upon fifteen (15) calendar days prior written notice to the Lessor, identifying the parties to which disclosure will be made; provided, however, that the Lessor may veto any such disclosure where a party to which such disclosure is proposed is in bona fide discussions with the Lessor regarding rights to conduct Petroleum Operations in the State or for reasons of national security;
- (d) the Lessee to any party with whom the Lessee is directed by the Lessor to enter into a unitization programme in accordance with Article 11;
- (e) the Lessor to any Governmental Authority, financial institution or person acting as a consultant or professional adviser to the State; and
- (f) the Lessor and the Lessee to arbitrators and Sole Experts appointed pursuant to this Agreement.

19.18 All Data and Proprietary Data disclosed to third parties under paragraphs (b) to (f) of Article 19.17 shall be disclosed on terms which to the extent possible ensure that the same are treated as

confidential by the recipient for so long as such Data remains subject to the confidentiality undertakings specified herein.

- 19.19 Neither the Lessee nor the Lessor shall be bound by the confidentiality undertakings as set forth herein with respect to any Data or Proprietary Data which is in or becomes part of the public domain through no fault of the disclosing Party or which the relevant Party may document that was already known by such Party before the Effective Date or obtained from a third party having the right to disclose such data.
- 19.20 Nothing in this Article 19 shall require the Lessee, its Affiliate Enterprises, contractors or their sub-contractors to disclose their own proprietary technology unless such disclosure is necessary to the evaluation and undertaking of any data resulting therefrom, provided always that any proprietary technology so disclosed to the Lessor shall be kept confidential by the Lessor until such time as the technology involved ceases to be proprietary to the disclosing Party.
- 19.21 For the purposes of this Article, any reference to the "Lessee" shall be deemed to be a reference to the Lessee or any Co-Lessee.

ARTICLE 20 – TRANSFER AND ASSIGNMENT OF RIGHTS AND OBLIGATIONS

- 20.1 Subject to the provisions of paragraph 2 of article 4 of the Hydrocarbons Law and in accordance with the provisions and the procedure laid down in paragraphs 4 and 6 of article 7 of the same Law:

- (a) The Lessee may transfer in whole or in part its contractual rights and obligations to an Independent Third Party solely upon written consent of Lessor, which consent shall not be unreasonably withheld or delayed, and approval by the Minister. The Lessor may refuse consent, if the grounds of paragraph 2 of article 4 of the Hydrocarbons Law apply or if the Independent Third Party does not meet the criteria referred to in paragraph 18 of article 2 of the Hydrocarbons Law. When giving such consent, the Lessor may set any conditions on the Lessee to safeguard its own interests.

The consent of the Lessor described above shall also be required whenever any interest in an Affiliate Enterprise which controls, directly or indirectly, the Lessee is to be transferred such as to cause a change in Control of the Lessee, and the Lessee when seeking such consent, shall provide adequate information concerning corporate structure, capital ownership, Control and management.

- (b) Subject to the provisions of paragraph 2 of article 4 of the Hydrocarbons Law, and in accordance with the provisions and the procedure laid down in paragraph 5 of article 7 of the same Law, the Lessee shall be entitled upon obtaining the prior written consent of the Lessor and approval by the Minister, to transfer, in whole or in part, its rights and obligations under the Agreement to an Affiliate Enterprise, provided that the Lessee shall continue to be, vis-à-vis the Lessor jointly and severally responsible with the transferee

Affiliate Enterprise, for the performance of all obligations under the Agreement. The grant of this consent may only be refused on the grounds of paragraph 2 of article 4 of the Hydrocarbons Law or if the Affiliate Enterprise does not meet the criteria referred to in paragraph 18 of article 2 of the Hydrocarbon Law.

- (c) Any Co-Lessee shall be entitled to transfer all or part of its contractual rights and obligations under this Agreement to any other Co-Lessee at the time of such transfer, following the written consent of the Lessor and approval by the Minister.
- 20.2 Any transfers of rights and obligations by the Lessee under this Agreement shall only become effective with regard to the Lessor as of the date of service upon it of certified copies of the deed of assignment or any other transfer document. If such transfer takes place during the Exploration Stage or the Special Exploration Stage Extension as the case may be, the Bank Guarantee of Article 3.7, as reduced from time to time, shall remain valid, binding and enforceable at all times or is appropriately replaced, (if needed).
- 20.3 No transfer of the operatorship shall be permitted without the prior written consent of the Lessor, which consent shall not be withheld except for reasons of the financial and technical capabilities of the proposed Operator.
- 20.4 For the purposes of this Article, any reference to the "Lessee" shall be deemed to be a reference to the Lessee or any Co-Lessee.

ARTICLE 21 – VIOLATIONS, LESSEE’S FORFEITURE

- 21.1 If the Lessor considers that the Lessee and/or any Co-Lessee is in default of any of its obligations under the Agreement, it may give written notice of default to the Lessee within a time limit of six (6) Months from the date on which it has taken cognizance of such default and it shall invite the Lessee to remedy the alleged breach and to keep the Lessor harmless from any loss or damage caused thereby. If the Lessee fails to comply with such notice, or if no amicable settlement is reached between the Parties within the following ninety (90) calendar days from the date of service of such notice, the Lessor may terminate this Agreement by further notice to the Lessee.
- 21.2 The Lessor covenants that the right to declare that the Lessee has forfeited its rights under this Agreement conferred by the Hydrocarbons Law in the circumstances set out in paragraphs 8 and 9 of article 10 of the Hydrocarbons Law will not be exercised by the Lessor unless:-
- (a) the Lessor has, by written notice to the Lessee, given not less than ninety (90) calendar days written notice of its intention to forfeit those rights and stating in detail the reasons for the intended forfeiture;
 - (b) the Lessor has, in the notice, specified a date not less than thirty (30) calendar days after the notice before which the Lessee may submit any matter which it wishes the Lessor to consider;

- (c) the Lessor has, in the notice, specified a period of not less than sixty (60) calendar days to remedy and remove such ground; and
 - (d) the Lessor has taken into account:-
 - (i) any matter submitted to them by the Lessee pursuant to Article 21.2(b); and
 - (ii) any action taken by the Lessee to remedy and remove that ground.
- 21.3 Following the execution of this Agreement, the Lessee and/or any Co-Lessee may not be placed under the direct or indirect Control of a foreign state which is not a member state of the European Union, or under the direct or indirect Control of a citizen of such State, without the prior approval of the Council of Ministers, in accordance with the provision and the procedure laid down in paragraph 3 of article 4 of the Hydrocarbons Law. Notwithstanding any of the provisions in this Article 21, a breach of the provisions of this Article 21.3 shall result in the Lessee forfeiting all its rights under the Agreement following a resolution of the Council of Ministers to this effect.
- 21.4 Any dispute between the Lessor and the Lessee as to whether any event has occurred which, subject to Article 21.2, would entitle the Lessor to declare that the Lessee has forfeited its rights pursuant to paragraph 8 or, as the case may be, paragraph 9 of article 10 of the Hydrocarbons Law, shall be settled by arbitration pursuant to Article 23.
- 21.5 If the Lessor terminates this Agreement, each Party's further rights and obligations cease immediately on termination except that:
- (a) the provisions of Articles 1.4, 3.1, 6.3, 8.3 to 8.8 (inclusive), 9.1, 9.2, 12.1, 15.4, 19.15 to 19.21 (inclusive), 20.1 (b), 23.1 to 23.10 (inclusive), 28, 30 and 31 shall survive termination; and
 - (b) termination does not affect the Lessor's accrued rights at the date of termination.

ARTICLE 22 – INSOLVENCY OF THE LESSEE

22.1 If at any time during the term of this Agreement:

- (a) any corporate action, legal proceedings or other procedure or step including without limitation the commencement of a meeting, making of an application, presentation of a petition, the passing of any resolution and/or the making of order, an order is made or a resolution is passed by a court of competent jurisdiction dissolving, liquidating or winding up (or an analogous procedure) the affairs of the Lessee by reason of the Lessee's insolvency or the inability of the Lessee to meet its payment obligations as they arise in the ordinary course of business; or
- (b) if the Lessee makes an assignment for the benefit of its creditors of any substantial part of its assets or a receiver or manager of the Lessee is appointed under a debt instrument or similar security interest,

the Lessor may by thirty (30) Business Days notice in writing to the Lessee declare that the rights of the Lessee under this Agreement are forfeited and this Agreement is terminated.

22.2 If in respect of any Co-Lessee an event occurs of the kind described in paragraph 22.1 the rights of the Lessee under this Agreement shall not be liable to forfeiture but any Co-Lessee in respect of whom any such event has occurred shall if so required by the Lessor, promptly assign or transfer its interest in the Agreement to the remaining Co-Lessees, pro rata to their interest and the remaining Co-Lessees shall enjoy the benefit of the interest so assigned or transferred and be liable jointly and severally for the corresponding obligations.

ARTICLE 23 – SOLE EXPERT DETERMINATION AND SETTLEMENT OF DISPUTES

23.1 Where it is stipulated in this Agreement that any difference between the Parties or between the Lessor and any Co-Lessee or any inability or failure by the Parties or by the Lessor and any Co-Lessee to agree on any matter (a “**Dispute**”) shall be referred for determination to a Sole Expert, unless the Parties or the Lessor and any Co-Lessee agree otherwise the following shall apply:

- (a) The Sole Expert shall be selected by the Lessor in accordance with articles 2.1 and 2.2 of the Presidential Decree within fifteen (15) calendar days (the “Election Period”) from submission of a written notification by a Party (the “Initiating Party”) to the other Party (the “Receiving Party”) of its intention to refer a Dispute for determination to a Sole Expert and nominating the Sole Expert.

- (b) Upon a Sole Expert being selected under the foregoing provisions of this Article, the Lessor shall forthwith notify this Sole Expert of its selection by the Parties and shall request it to state, within five (5) calendar days (the "Acceptance Period"), whether or not it is willing and able to accept the appointment. If such Sole Expert shall be either unwilling or unable to accept such appointment, or shall not have accepted (the "Disqualified Expert") within the Acceptance Period, then the Lessor shall select an alternative Sole Expert within five (5) calendar days following the end of the Acceptance Period.
- (c) For the purposes of determination by the Sole Expert of the Dispute, each Party shall submit to the Sole Expert within thirty (30) calendar days (the "Submissions Period") following the Sole Expert's acceptance of appointment to both Parties:
 - (i) a description of the Dispute;
 - (ii) a statement of its position; and
 - (iii) any documents supporting and/or justifying its position.

The Sole Expert may, in its absolute discretion, consider any additional information submitted by either Party and/or any other procedural matters not specifically addressed herein.

- (d) The terms of reference upon which the Sole Expert shall seek to resolve a Dispute shall be mutually agreed between the Parties. The parameters within which the Sole Expert shall make its determination shall be strictly within the terms of reference, provided that if the Parties fail to agree on the terms of reference, the Sole Expert shall consider the terms of reference proposed by both Parties and decide upon its own (to which the Parties shall be bound). The Sole Expert shall make its determination in writing and notify the Parties of such determination.
- (e) Save in the event of fraud or manifest error, the Sole Expert's determination shall be conclusive and binding on the Parties and shall be delivered within thirty (30) calendar days following the end of the Submissions Period. The decision of the Sole Expert may be referred to arbitration by way of appeal on a point of law, but not on a point of fact. Pending resolution of the dispute by the Sole Expert, there will be no suspension of the Agreement and the Lessee shall have the right and the obligation to continue operations under the Agreement.
- (f) If the Sole Expert dies or becomes unwilling or incapable of acting, or does not deliver the determination within the time required by this clause then:
 - (i) the Lessor and the Lessee shall promptly select a replacement Sole Expert; and
 - (ii) this Article shall apply to the new Sole Expert as if he were the first Sole Expert appointed.

- (g) The language to be used for the purposes of the Sole Expert determination shall be English.
 - (h) The costs of engaging the Sole Expert shall be borne equally by the Lessor and the Lessee. Each Party shall bear its own costs in preparing any materials for and making its presentations to, the Sole Expert.
 - (i) Each Party shall act reasonably and co-operate in good faith to give full effect to all the provisions of this clause and shall do nothing to hinder or prevent the Sole Expert from reaching his determination.
 - (j) If the Lessor fails to appoint a Sole Expert (or, as the case may be a replacement Sole Expert) within the time limits prescribed by this Article, then the Lessee shall be entitled to refer the relevant dispute, controversy or claim to arbitration in accordance with the following provisions of this Article.
- 23.2 Any dispute, controversy or claim arising out of or relating to this Agreement, or breach, termination or invalidity thereof between the Parties, or between the Lessor and any Co-Lessee , which:
- (a) is not to be referred for determination by a Sole Expert under Article 23.1; or
 - (b) has been referred to the Sole Expert whose decision is appealed on a point of law; or
 - (c) if the Lessor has not appointed a Sole Expert (or, as the case may be, a replacement Sole Expert) within the time limits prescribed by this Article,
- shall be finally settled by arbitration.
- 23.3 The place of arbitration shall be Athens, Greece.
- 23.4 The number of arbitrators shall be three; they shall be appointed in accordance with the provisions of paragraph 13 of article 10 of the Hydrocarbons Law.
- 23.5 The arbitration shall be conducted in accordance with the Rules of Arbitration of the International Chamber of Commerce (in force from time to time), to the extent that there is no conflict between any of those Rules and the provisions of this Agreement and/or Greek Law. In the event of any such conflict, the provisions of this Agreement and Greek Law shall prevail.
- 23.6 The language to be used in the arbitral proceedings shall be Greek unless the Parties agree otherwise.
- 23.7 A decision of the majority of the arbitrators shall be final and binding upon the Parties and the award rendered shall be final and conclusive. Judgment on the award rendered may be entered in any court for a juridical acceptance and for enforcement, as the case may be.

- 23.8 During the period of any arbitration the time limits set for the fulfillment by either Party or those contractual obligations under this Agreement which are the subject of such arbitration shall be suspended for a time period equivalent to the period of such arbitration.
- 23.9 Pending resolution of the dispute by the panel of arbitrators, there will be no suspension of the Agreement and the Lessee shall have the right and the obligation to continue operations under the Agreement.
- 23.10 For the purposes of this Article it is clarified that any dispute between the Lessor and any Co-Lessee under this Agreement shall always be considered a dispute between the Lessor and the Lessee and any reference of such dispute to the Sole Expert or to arbitration under this article shall always be considered a reference of dispute between the Lessor and the Lessee.

ARTICLE 24 – PERFORMANCE OF THE AGREEMENT

- 24.1 The Lessee shall do everything necessary so as to accomplish the objectives of the Agreement.
- 24.2 The Parties agree to cooperate harmoniously and in a spirit of good faith with a view to the achievement, as promptly and as efficiently as possible, of the objectives of the Agreement, in strict conformity with all its provisions.
- 24.3 Time is of the essence in this Agreement.

ARTICLE 25 - CONTRACTORS, SUB-CONTRACTORS, PERSONNEL TRAINING

- 25.1 Subject to the following provisions of this Article, the Lessee shall be entitled to employ contractors and the latter shall be entitled to employ sub-contractors for the performance of this Agreement. The Lessee is obliged to submit to the Lessor a copy of any such contracts entered into with contractors (including with Affiliate Enterprises) in accordance with Article 19.4.
- 25.2 The Lessee shall obtain the Lessor's prior written consent before entering contracts for goods and services for Petroleum Operations except where:
- (a) in the Exploration Stage, the contract (or related series of contracts) is expected to involve expenditure of less than five hundred thousand Euro (€500,000); or
 - (b) in the Exploitation Stage, the contract (or related series of contracts) is expected to involve expenditure of less than one and a half million Euro (€1,500,000).

If the Lessor has not provided its consent within twenty (20) Calendar Days from the day of submission, such consent shall be deemed to have been granted.

The foregoing provisions of this Article 25.2 do not apply to the extent they would hinder the Lessee from taking all necessary and proper measures for the protection of life, health, the environment and property if there is an emergency (including a significant fire, explosion, Hydrocarbon release or sabotage; incident involving loss of life, serious injury to an employee, contractor or third party, or serious property damage; strikes and riots; or evacuation of personnel).

Notwithstanding the provisions of Article 25.2, the Lessee shall, at any time after the Effective Date, submit to the Lessor its guidelines and procedures that govern the approval that is required for the Lessee to enter into contracts for goods and services for Petroleum Operations.

- 25.3 The Lessee, its contractors and any sub-contractors employed by the Lessee, shall be entitled to employ foreign personnel in Greece for Petroleum Operations. The Lessee shall (and shall procure that its subcontractors shall) give due and proper consideration to preferring Greek and EEA sourced services, materials, equipment, consumables and other goods when their price, quality, time of delivery and other terms are comparable to those available internationally.
- 25.4 Subject to the conditions and requirements of paragraph 9 of article 6 of the Hydrocarbons Law, the Lessor will support all applications by the Lessee to the competent authorities for permits for entry, residence, movement and work in Greece for all foreign personnel referred to in the preceding paragraph and to the members of their family, unless there exist reasons pertaining to national or public security and order.
- 25.5 The Lessee shall be obliged each year to train at its installations local technical and scientific personnel in such numbers and for such periods of time as shall be stipulated by resolution of the Minister in accordance with the provisions of paragraph 10 of article 6 of the Hydrocarbons Law. Costs associated with such training incurred by the Lessee shall not exceed the agreed costs of Lessee's training obligations, as these are set for in Article 15.3 of this Agreement.

ARTICLE 26 – FORCE MAJEURE

- 26.1 Failure or delay to perform any of their contractual obligations by either the Lessor or Lessee, shall not be regarded as a breach of the Agreement and shall not give rise to any right or claim by either Party against the other if such failure or delay is due to Force Majeure or to consequences arising therefrom.
- 26.2 "Force Majeure" means any event beyond the reasonable control of the Party claiming to be affected by it and not caused or contributed to by such Party and shall include, but shall not be limited to, acts of God, epidemics, earthquakes, fires, floods, explosions, strikes, lockouts, wars and state of war, revolutions, civil commotions, insurrections, mutinies and acts of the State or of any foreign government. Force Majeure shall not excuse the failure to pay any sum when due hereunder and a lack of funds shall not constitute Force Majeure.

- 26.3 If as a result of an event of Force Majeure either the Lessor or the Lessee is prevented from performing its obligations or exercising its rights under this Agreement, the performance of any obligation or the exercise of any right under this Agreement shall be suspended to the extent to which the relevant Party is affected by the said event of Force Majeure and during such time as it lasts and for such reasonable additional time thereafter as might be required for normal resumption of the Petroleum Operations and/or other contractual obligations.
- 26.4 In the event of Force Majeure, the Party prevented from performing its obligations or exercising its rights under the Agreement shall immediately give to the other Party notice of the nature of the Force Majeure and its probable duration.
- 26.5 If as a result of an event of Force Majeure Petroleum Operations and/or other contractual rights and obligations hereunder are suspended for more than twelve (12) Months, the Parties shall meet to discuss in good faith the continuance or termination of this Agreement. If no agreement can be reached by the Parties within twelve (12) Months from the date of the expiry of the aforementioned twelve (12) Month suspension period, the Lessor or the Lessee may give to the other notice of termination of this Agreement which notice shall become effective six (6) Months following the date of service of such notice.
- 26.6 The Parties agree in particular that in the event that, as a result of a court order or any judicial decision exclusively in respect to a Consent the Exploration Operations are interrupted, such incident shall constitute a Force Majeure event and the provisions of this Article 26 shall apply accordingly, save that the twelve (12) month suspension time period of Article 26.5 shall be extended up to a period of twenty-four (24) months.

ARTICLE 27 – SUSPENSION OF THE EXPLORATION STAGE

- 27.1 If at any time during the Exploration Stage the Lessee wishes to conduct an activity necessary for the performance of Petroleum Operations and satisfaction of the Minimum Work Programme in respect of which a Consent is required, then a Response must be issued within the time limit prescribed under the applicable Law or, where a Law does not prescribe a time limit, within the time limit prescribed by Article 4 of Law 2690/1990 (Administrative Procedure Code) (the “**Prescribed Time Limit**”). Subject to the provisions of Article 27.5, 27.6 and 27.7, if a Response is not issued within the Prescribed Time Limit, then the Lessee may, upon expiry of such period, provide the Lessor with notice in writing that the Prescribed Time Limit has expired (a “**Prescribed Time Limit Expiry Notice**”).
- 27.2 Upon receipt by the Lessor of a Prescribed Time Limit Expiry Notice there shall commence a period of fifteen (15) calendar days during which the Lessor and the Lessee shall cooperate using their best endeavors to procure the issuance of a Response (the “**Cooperation Period**”).
- 27.3 If upon the expiry date of the Cooperation Period the Lessor and Lessee have failed to procure the issuance of a Response, then on and from such date the time for performance of the

obligations in respect of which the Consent is required shall be suspended immediately pending issuance of a Response (the “**Suspension Period**”).

- 27.4 During the Suspension Period the Lessee and the Lessor shall use their best endeavors to procure a Response.
- 27.5 A Suspension Period shall terminate on the date when a Response is issued and on and from that date the affected obligations of the Lessee shall resume and shall be carried out in the remaining unexpired period of the relevant Phase, which shall be extended accordingly. Nothing in this Article 27.5 shall deprive the Lessee of its rights to proceed to the next Phase or reduce the overall period of any subsequent Phase, or the Basic Exploration Stage, in accordance with the terms of this Agreement.
- 27.6 The Lessee shall not be entitled to issue a Prescribed Time Limit Expiry Notice if a Proper Application is not made. A “Proper Application” is made if the application for Consent is in all respects complete in form and substance, and in accordance with Law.
- 27.7 An application for Consent shall be deemed to be a Proper Application for the purposes of this Agreement if the relevant Governmental Authority has not otherwise advised the Lessee in writing by the expiry of the Prescribed Time Limit.

ARTICLE 28 – NOTIFICATIONS – AGENT FOR SERVICE

- 28.1 Unless otherwise provided in this Agreement, all notices given under this Agreement shall be:
- (a) in writing;
 - (b) in English or Greek; and
 - (c) delivered personally or by pre-paid recorded delivery (or international courier if overseas) or by fax addressed as follows:

If to the Lessor:

Ministry of Environment, Energy & Climate Change
 General Secretariat for Energy Petroleum Policy
 Directorate 119 Messogeion Avenue, 101 92, Athens,
 Greece

Attn. Mr. Athanasios Zacharopoulos

Tel: +30 210 6969312

Fax: +30 210 6969034

If to the Lessee:

ENERGEAN OIL & GAS S.A.

32, Kifissias Ave., Atrina Center 17th floor,

Maroussi Athens, Greece 15125

Attention: Mr. Mathios Rigas

Fax: +30 210 8174 299

Tel: +30 210 8174 200

If to the Lessee:

PETRA PETROLEUM INC.

Suite 1703, Three Bentall Center, 595 Burrard Street, Vancouver, BC, V7X 1J1

Tel: +1 604.689.1428

Fax: +1 604 681 4692

Attention: Mr Robert Lambert

28.2 In the absence of evidence of earlier receipt, and subject to Article 28.3 and 28.4, a Notice shall be deemed given and received:

- (a) if delivered personally, when left at the address referred to above;
- (b) if sent by pre-paid recorded delivery (except air mail), two (2) Business Days after posting it;
- (c) if sent by airmail, five (5) Business Days after posting it;
- (d) if sent by international courier, five (5) Business Days after it is collected by such courier from the sender; and
- (e) if sent by facsimile, at the time of transmission (as per a transmission report from the machine from which the facsimile was sent).

28.3 If receipt or deemed receipt of a Notice occurs before 9am (in the country of receipt) on a Business Day, the Notice shall be deemed to have been received at 9am (in the country of receipt) on that day, and if deemed receipt occurs after 5pm (in the country of receipt) on a

Business Day, or on a day which is not a Business Day, the Notice shall be deemed to have been received at 9am (in the country of receipt) on the next Business Day.

- 28.4 The deemed service provisions in Article 28.2 shall not apply to a Notice served by fax, if, before the time at which the Notice would otherwise be deemed to have been served, the recipient informs the sender that the Notice has been received in a form which is unclear in any material respect and, if it informs the sender by telephone or email, it also dispatches a confirmatory facsimile within two hours.
- 28.5 In proving service, it shall be sufficient to prove that:
- (a) the envelope containing the Notice was addressed to the address of the relevant Party set out in Article 28.1 (or as otherwise notified by that Party pursuant to paragraph 6) and delivered either to that address or into the custody of the postal authorities as a pre-paid recorded delivery, registered post letter or letter sent by international courier; or
 - (b) notice was transmitted in full by facsimile to the facsimile number of the relevant Party set out in Article 28.1 (or as otherwise notified by that Party pursuant to Article 28.6) (as evidenced by a machine generated confirmation of full receipt).
- 28.6 A Party may by Notice of at least five (5) Business Days to the other Party change the address or facsimile number to which Notices to it are to be delivered.
- 28.7 No Notice given under this Agreement shall be validly served if sent by e-mail.
- 28.8 All communications between the Parties (other than Notices) shall, unless the Agreement provides otherwise, be:
- (a) in writing;
 - (b) in English or Greek; and
 - (c) may be made by email.
- 28.9 Articles 28.1 to 28.8 (inclusive) do not apply to the service of any Service Documents.
- 28.10 Each Co-Lessee irrevocably agrees with the Lessor that any Service Document may be sufficiently and effectively served on it in connection with any Proceedings by service on its process agent. For the purposes of this paragraph:
- (a) Energean Oil & Gas S.A. appoints as its process agent in connection with Proceedings:

Charalambides & Partners Law Firm,

15 Pindarou Street, P.C 10673 Street) P.C. 10673,

Tel. 210 3607771 Fax. 210 3607885.

Attention Yannis Charalambides

(b) Petra appoints as its process agent in connection with Proceedings:

Platis - Anastassiadis & Associates Law Partnership

11th km National Road Athens Lamia, 14451 Athens, Greece

Office: +30 210 288 6509 | Fax: +30 210 288 6910

e-mail : christina.n.koliatsi@gr.ey.com

Attention Christina Koliatsi

In the event of a transfer of rights in accordance with Article 20 of this Agreement, the process agent of the Lessee pursuant to this Article shall be deemed to be the process agent of each of the Co-Lessee from time to time until revocation or resignation.

- 28.11 Each Co-Lessee agrees with the Lessor to maintain the appointment of its process agent (and any replacement process agent appointed pursuant to Article 28.12) and it shall not withdraw the appointment of any such process agent until its replacement shall have been validly appointed and it shall have given the Lessor Notice of the name and address of the replacement process agent.
- 28.12 If the process agent referred to in Article 28.10 (or any replacement process agent appointed pursuant to this Article 28.12) at any time ceases for any reason to act as such, his appointor shall appoint a replacement process agent with an address for service in Greece, and shall give the Lessor Notice of the name and address of the replacement process agent. If a Co-Lessee fails to appoint a replacement process agent or give the Lessor Notice of the name and address of a replacement process agent as required by this Article 28.12, the Lessor shall be entitled by Notice to the defaulting Co-Lessee to appoint such a replacement process agent to act on the defaulting Co-Lessee's behalf. The defaulting Co-Lessee shall bear all the costs and expenses of replacement process agent appointed by the Lessor in these circumstances.
- 28.13 Each Co-Lessee may, by Notice of at least five (5) Business Days to the Lessor, change the address of its process agent (or any replacement process agent appointed pursuant to Article 28.12) to another address in Greece.
- 28.14 Any Service Document served pursuant to this Article shall be marked for the attention of the relevant process agent and addressed to the address set out in Article 28.9 or to the address notified pursuant to Articles 28.11, 28.12 or 28.13 (as the case may be).
- 28.15 Any Service Document marked for the attention of the relevant process agent and addressed to the address set out in Article 28.9 or to the address notified pursuant to Articles 28.11, 28.12 or

28.13 (as the case may be) pursuant to Article 28.14 shall be deemed to have been duly served if:

- (a) left at such address, when it is left; or
- (b) sent by first class pre-recorded delivery or registered post to such address, two (2) Business Days after the date of posting.

- 28.16 Each Co-Lessee shall send by post to the Lessor a copy of any Service Document served by it (or on its behalf) on a process agent pursuant to this Article (to the address set out in Article 28.1 or 28.6 (as the case may be), but no failure or delay in doing so shall prejudice the effectiveness of service of the Service Document in accordance with Article 28.14.
- 28.17 Each Co-Lessee agrees that failure by any process agent to give notice of any process to it, or to give a copy of any Service Document served on it, shall not impair the validity of such service or of any Proceedings based on that process.
- 28.18 Nothing contained in Articles 28.10 to 28.17 affects the right to serve a Service Document in another manner permitted by law.

ARTICLE 29 – MODIFICATIONS OF THE AGREEMENT

- 29.1 The terms of this Agreement may only be modified by written agreement between the Parties and any amendment of its terms shall only be effective upon ratification by the State Parliament with the exception of any amendment to Clause 1.5 effected as a result of any transfer of interest by any Co-Lessee or transfer of operatorship, which will be effective in accordance with the provisions of this Agreement and the Hydrocarbons Law.
- 29.2 Upon application by the Lessee, any time limits for the fulfillment of Lessee's obligations hereunder shall be extended with the written consent of the Lessor, except for time limits the extensions of which are specifically regulated by the Hydrocarbons Law.

ARTICLE 30 – APPLICABLE LAW AND VALIDITY OF TEXTS

- 30.1 This Agreement has been executed by the Parties in Greek and in English versions. In case of any discrepancy, conflict or inconsistency between the two versions both texts shall be referred to in an attempt to resolve any ambiguities but the Greek text shall prevail.
- 30.2 This Agreement shall be governed by, and construed in accordance with, Greek Law.
- 30.3 No provision of this Agreement derogates, or shall require the State to derogate, from any requirement under the Community Treaties, including, for the avoidance of doubt, any requirement of any European Union law made under the Community Treaties.
- 30.4 If any amendment, deviation, exemption or adjustment to Greek Law made by this Agreement is found to be unconstitutional, or, notwithstanding Clause 30.3, to be inconsistent with a requirement under the Community Treaties including, for the avoidance of doubt, any requirement of any European Union law made under the Community Treaties, the Parties shall negotiate an amendment to this Agreement, with the intention that a functionally equivalent position is achieved.
- 30.5 The State shall not be liable to the Lessee if any amendment, deviation, exemption or adjustment to Greek Law made by this Agreement is found to be unconstitutional, or, notwithstanding Clause 30.3, to be inconsistent with a requirement under the Community Treaties including, for the avoidance of doubt, any requirement of any European Union law made under the Community Treaties.

ARTICLE 31 – MISCELLANEOUS

- 31.1 This Agreement represents and contains the entire understanding and arrangement of the Parties in relation to the matters dealt with herein and, unless otherwise specified herein it supersedes and replaces, as of the Effective Date, any prior understanding and arrangements between the Parties, whether written or verbal, relating to such matters.
- 31.2 In the event of any conflict or inconsistency arising between the main body of this Agreement and any of the Annexes, the provision contained in the main body of this Agreement shall prevail.
- 31.3 Except where this Agreement expressly provides to the contrary, the rights and remedies contained in this Agreement are cumulative and not exclusive of rights and remedies provided by law.