UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **August 1, 2014**

KOSMOS ENERGY LTD.
(Exact Name of Registrant as Specified in its Charter)

Bermuda (State or other jurisdiction of incorporation)	**001-35167** (Commission File Number)	**98-0686001** (I.R.S. Employer Identification No.)

Clarendon House **2 Church Street** **Hamilton, Bermuda** (Address of Principal Executive Offices)	**HM 11** (Zip Code)

Registrant's telephone number, including area code: **+1 441 295 5950**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

Indenture and Notes

On August 1, 2014, in connection with the previously announced private offering of $300 million aggregate principal amount of 7.875% Senior Secured Notes due 2021 (the "Notes") to eligible purchasers, Kosmos Energy Ltd. (the "Company"), Kosmos Energy Operating, Kosmos Energy International, Kosmos Energy Development, Kosmos Energy Ghana HC and Kosmos Energy Finance International (collectively, the "Guarantors") entered into an Indenture governing the Notes issued by the Company with Wilmington Trust, National Association, as trustee, transfer agent, registrar and paying agent (the "Trustee") and Banque Internationale à Luxembourg S.A., as Luxembourg listing agent, transfer agent and paying agent. The Notes mature on August 1, 2021. Interest accrues at 7.875% per annum and is payable semi-annually in arrears each February 1 and August 1, commencing on February 1, 2015.

The Notes are secured (subject to certain exceptions and permitted liens) by a first ranking fixed equitable charge on all shares held by the Company in its direct subsidiary, Kosmos Energy Holdings. The Notes are currently guaranteed on a subordinated, unsecured basis by the Company's existing restricted subsidiaries that guarantee the Company's commercial debt facility and revolving credit facility (the "Corporate Revolver"), and, in certain circumstances, the Notes will become guaranteed by certain of the Company's other existing or future restricted subsidiaries. As of the closing of the offering, the Notes were guaranteed by the Guarantors.

Redemption and Repurchase

At any time prior to August 1, 2017 and subject to certain conditions, the Company may, on any one or more occasions, redeem up to 35% of the aggregate principal amount of Notes issued under the Indenture at a redemption price of 107.875%, plus accrued and unpaid interest, with the cash proceeds of certain eligible equity offerings. Additionally, at any time prior to August 1, 2017, the Company may, on any one or more occasions, redeem all or a part of the Notes at a redemption price equal to 100%, plus any accrued and unpaid interest, and plus a "make-whole" premium. On or after August 1, 2017, the Company may redeem all or a part of the Notes at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest:

Year	Percentage

On or after August 1, 2017, but before August 1, 2018	103.938%
On or after August 1, 2018, but before August 1, 2019	101.969%
On or after August 1, 2019 and thereafter	100.000%

The Company may also redeem the Notes in whole, but not in part, at any time if changes in tax laws impose certain withholding taxes on amounts payable on the Notes at a price equal to the principal amount of the Notes plus accrued interest and additional amounts, if any, as may be necessary so that the net amount received by each holder after any withholding or deduction on payments of the Notes will not be less than the amount such holder would have received if such taxes had not been withheld or deducted.

Upon the occurrence of a "change of control triggering event" as defined under the Indenture, the Company will be required to make an offer to repurchase Notes at a repurchase price equal to 101% of the principal amount, plus accrued and unpaid interest to, but excluding, the date of repurchase.

If the Company sells assets, under certain circumstances outlined in the Indenture, it will be required to use the net proceeds to make an offer to purchase Notes at an offer price in cash in an amount equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest to, but excluding, the repurchase date.

Covenants

The Indenture restricts the ability of the Company and its restricted subsidiaries to, among other things: incur or guarantee additional indebtedness, create liens, pay dividends or make distributions in respect of capital stock, purchase or redeem capital stock, make investments or certain other restricted payments, sell assets, enter into agreements that restrict the ability of the Company's subsidiaries to make dividends or other payments to the Company, enter into transactions with affiliates or effect certain consolidations, mergers or amalgamations. These covenants are subject to a number of important qualifications and exceptions. Certain of these covenants will be terminated if the Notes are assigned an investment grade rating by both Standard & Poor's Rating Services and Fitch Ratings Inc. and no default or event of default has occurred and is continuing.

A copy of the Indenture is filed as Exhibit 4.1 to this Current Report on Form 8-K ("Form 8-K") and is incorporated herein by reference. The description of the Indenture and the Notes in this report is a summary and is qualified in its entirety by the terms of the Indenture and the Notes.

KEL Intercreditor and Security Sharing Agreement

On August 1, 2014, the Company entered into the KEL Intercreditor and Security Sharing Agreement (the "KEL Intercreditor Agreement") among the Trustee, BNP Paribas, as security and intercreditor agent and Standard Chartered Bank, as the RCF Agent. The KEL Intercreditor Agreement is governed by English law and sets forth the relative rights of creditors with respect to the Company's liabilities under the Corporate Revolver and the Indenture. Among other things, the KEL Intercreditor Agreement provides that:

- The liabilities under the Corporate Revolver and the Indenture shall rank *pari passu* in right and priority of payment and without any preference between them; and

- The liabilities under the Corporate Revolver and the Indenture are secured on a *pari passu* basis without any preference between them.

A copy of the KEL Intercreditor Agreement is filed as Exhibit 4.2 to this Form 8-K and is incorporated herein by reference. The description of the KEL Intercreditor Agreement in this report is a summary and is qualified in its entirety by the terms of the KEL Intercreditor Agreement.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 of this Form 8-K is incorporated by reference to this Item 2.03.

Item 9.01 Financial Statements and Other Exhibits.

(d) Exhibits

Exhibit No.	Description
4.1	Indenture, dated as of August 1, 2014, among Kosmos Energy Ltd. (the "Company"), Kosmos Energy Operating, Kosmos Energy International, Kosmos Energy Development, Kosmos Energy Ghana HC and Kosmos Energy Finance International, Wilmington Trust, National Association, as trustee, transfer agent, registrar and paying agent and Banque Internationale à Luxembourg S.A., as Luxembourg listing agent, transfer agent and paying agent (including the Form of Notes).
4.2	KEL Intercreditor and Security Sharing Agreement, dated as of August 1, 2014, among the Company, BNP Paribas, as security and intercreditor agent, Standard Chartered Bank, as RCF Agent and Wilmington Trust, National Association, as trustee, transfer agent, registrar and paying agent of the Notes.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: August 1, 2014

KOSMOS ENERGY LTD.

By: /s/ W. Greg Dunlevy
W. Greg Dunlevy
Chief Financial Officer and Executive Vice President

EXHIBIT INDEX

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4.2	KEL Intercreditor and Security Sharing Agreement, dated as of August 1, 2014, among the Company, BNP Paribas, as security and intercreditor agent, Standard Chartered Bank, as RCF Agent and Wilmington Trust, National Association, as trustee, transfer agent, registrar and paying agent of the Notes.

Exhibit 4.1

EXECUTION COPY

SENIOR SECURED NOTES INDENTURE

Dated as of August 1, 2014

Among

KOSMOS ENERGY LTD.

THE SUBSIDIARY GUARANTORS LISTED ON THE SIGNATURE PAGES HERETO

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee, Paying Agent, Registrar and Transfer Agent

and

BANQUE INTERNATIONALE À LUXEMBOURG S.A.,
as Luxembourg listing agent, Luxembourg paying agent and Luxembourg transfer agent

7.875% SENIOR SECURED NOTES DUE 2021

TABLE OF CONTENTS

		Page
ARTICLE 1 DEFINITIONS AND INCORPORATION BY REFERENCE		1
Section 1.01	Definitions	1
Section 1.02	Other Definitions	29
Section 1.03	Rules of Construction	30
Section 1.04	[Reserved]	31
Section 1.05	Acts of Holders	31
ARTICLE 2 THE NOTES		33
Section 2.01	Form and Dating; Terms	33
Section 2.02	Execution and Authentication	34
Section 2.03	Registrar and Paying Agent	34
Section 2.04	Paying Agent to Hold Money in Trust	35
Section 2.05	Holder Lists	35
Section 2.06	Transfer and Exchange	35
Section 2.07	Replacement Notes	36
Section 2.08	Outstanding Notes	37
Section 2.09	Treasury Notes	37
Section 2.10	Temporary Notes	37
Section 2.11	Cancellation	38
Section 2.12	Defaulted Interest	38
Section 2.13	CUSIP and ISIN Numbers	38
ARTICLE 3 REDEMPTION		39
Section 3.01	Notices to Trustee	39
Section 3.02	Selection of Notes to Be Redeemed or Purchased	39
Section 3.03	Notice of Redemption	39
Section 3.04	Effect of Notice of Redemption	40
Section 3.05	Deposit of Redemption or Purchase Price	41
Section 3.06	Notes Redeemed or Purchased in Part	41
Section 3.07	Optional Redemption	41
Section 3.08	Mandatory Redemption; Open Market Purchases	43
Section 3.09	Offers to Repurchase by Application of Excess Proceeds	43
ARTICLE 4 COVENANTS		46
Section 4.01	Payment of Notes	46
Section 4.02	Maintenance of Office or Agency	46

Section 4.03	Taxes	47
Section 4.04	Stay, Extension and Usury Laws	47
Section 4.05	Corporate Existence	47
Section 4.06	Reporting Requirements	47
Section 4.07	Compliance Certificate	48
Section 4.08	Limitation on Restricted Payments	49
Section 4.09	Limitation on Debt	53

Page

Section 4.10	Limitation on Liens	57
Section 4.11	Limitation on Guarantees of Debt by Restricted Subsidiaries	60
Section 4.12	Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries	61
Section 4.13	Limitation on Designation of Unrestricted Subsidiaries	63
Section 4.14	Limitation on Transactions with Affiliates	63
Section 4.15	Offer to Repurchase Upon Change of Control Triggering Event	65
Section 4.16	Limitation on Asset Sales	67
Section 4.17	Covenant Termination	70
Section 4.18	Payment of Additional Amounts	70
Section 4.19	Listing	72
ARTICLE 5 SUCCESSORS		73
Section 5.01	Consolidation, Merger, Amalgamation or Sale of All or Substantially All Assets	73
Section 5.02	Successor Entity Substituted	75
ARTICLE 6 DEFAULTS AND REMEDIES		75
Section 6.01	Events of Default	75
Section 6.02	Acceleration	77
Section 6.03	Other Remedies	78
Section 6.04	Waiver of Past Defaults	78
Section 6.05	Control by Majority	78
Section 6.06	Limitation on Suits	79
Section 6.07	Rights of Holders to Receive Payment	79
Section 6.08	Collection Suit by Trustee	79
Section 6.09	Restoration of Rights and Remedies	79
Section 6.10	Rights and Remedies Cumulative	80
Section 6.11	Delay or Omission Not Waiver	80
Section 6.12	Trustee May File Proofs of Claim	80
Section 6.13	Priorities	80
Section 6.14	Undertaking for Costs	81
ARTICLE 7 TRUSTEE		81
Section 7.01	Duties of Trustee	81
Section 7.02	Rights of Trustee	82
Section 7.03	Individual Rights of Trustee	84
Section 7.04	Trustee’s Disclaimer	84
Section 7.05	Notice of Defaults	85
Section 7.06	[Reserved]	85
Section 7.07	Compensation and Indemnity	85
Section 7.08	Replacement of Trustee	86
Section 7.09	Successor Trustee by Merger, etc.	86
Section 7.10	Eligibility; Disqualification	87
ARTICLE 8 LEGAL DEFEASANCE AND COVENANT DEFEASANCE		87
Section 8.01	Option to Effect Legal Defeasance or Covenant Defeasance	87
Section 8.02	Legal Defeasance and Discharge	87

Page

Section 8.03	Covenant Defeasance	88
Section 8.04	Conditions to Legal or Covenant Defeasance	88
Section 8.05	Deposited Money and Government Securities to Be Held in Trust; Other Miscellaneous Provisions	89
Section 8.06	Repayment to the Company	90

Section 8.07	Reinstatement	90
ARTICLE 9 AMENDMENT, SUPPLEMENT AND WAIVER		90
Section 9.01	Without Consent of Holders	90
Section 9.02	With Consent of Holders	91
Section 9.03	Compliance with Trust Indenture Act	93
Section 9.04	Revocation and Effect of Consents	93
Section 9.05	Notation on or Exchange of Notes	93
Section 9.06	Trustee to Sign Amendments, etc.	94
ARTICLE 10 GUARANTEES		94
Section 10.01	Guarantee	94
Section 10.02	[Reserved]	94
Section 10.03	[Reserved]	94
Section 10.04	[Reserved]	94
Section 10.05	Benefits Acknowledged	94
Section 10.06	Release of Note Guarantees	94
ARTICLE 11 COLLATERAL		95
Section 11.01	Security Documents	95
Section 11.02	Release of Collateral	96
Section 11.03	Form and Sufficiency of Release	96
Section 11.04	Security and Intercreditor Agent; Intercreditor Agreements	97
ARTICLE 12 SUBORDINATION OF NOTE GUARANTEES		100
Section 12.01	Agreement to Subordinate	100
ARTICLE 13 SATISFACTION AND DISCHARGE		100
Section 13.01	Satisfaction and Discharge	100
Section 13.02	Application of Trust Money	101
ARTICLE 14 MISCELLANEOUS		101
Section 14.01	[Reserved]	101
Section 14.02	Notices	101
Section 14.03	[Reserved]	104
Section 14.04	Certificate and Opinion as to Conditions Precedent	104
Section 14.05	Statements Required in Certificate or Opinion	104
Section 14.06	Currency Indemnity	104
Section 14.07	Consent to Jurisdiction and Service; Waiver of Immunities	105
Section 14.08	Rules by Trustee and Agents	105

Section 14.09	No Personal Liability of Directors, Officers, Employees, Members, Partners and Stockholders	106
Section 14.10	Governing Law	106
Section 14.11	Waiver of Jury Trial	106
Section 14.12	Force Majeure	106
Section 14.13	No Adverse Interpretation of Other Agreements	106
Section 14.14	Successors	106
Section 14.15	Severability	106
Section 14.16	Counterpart Originals	107
Section 14.17	Table of Contents, Headings, etc.	107
Section 14.18	Facsimile and PDF Delivery of Signature Pages	107
Section 14.19	U.S.A. PATRIOT Act	107
Section 14.20	Payments Due on Non-Business Days	107
Section 14.21	Accounting Provisions	107

Appendix A	Provisions Relating to Initial Notes and Additional Notes
Exhibit A	Form of Note
Exhibit B	Form of Institutional Accredited Investor Transferee Letter of Representation

Exhibit C Form of Supplemental Indenture to Be Delivered by Subsequent Guarantors

INDENTURE, dated as of August 1, 2014, among Kosmos Energy Ltd., a Bermuda company (the "*Company*"), the Guarantors listed on the signature pages hereto, Wilmington Trust, National Association, as Trustee, Paying Agent, Registrar and Transfer Agent and Banque Internationale à Luxembourg S.A., as Luxembourg listing agent, Luxembourg paying agent and Luxembourg transfer agent.

W I T N E S S E T H

WHEREAS, the Company has duly authorized the creation of and issue of $300,000,000 aggregate principal amount of 7.875% Senior Secured Notes due 2021 (the "*Initial Notes*"); and

WHEREAS, the Company and the Guarantors have duly authorized the execution and delivery of this Indenture;

NOW, THEREFORE, the Company, the Guarantors, the Trustee and Banque Internationale à Luxembourg S.A. agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders of the Notes.

ARTICLE 1

DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01 Definitions.

"*Accounting Change*" means any change in U.S. GAAP.

"*Acquired Debt*" means Debt of a Person existing at the time the Person merges with or into or becomes a Restricted Subsidiary and not Incurred in connection with, or in contemplation of, the Person merging or amalgamating with or into or becoming a Restricted Subsidiary.

"*Additional Assets*" means (i) any property or assets (including Capital Stock or its substantial equivalent or other Investments) that are used or usable by the Company, any of its Restricted Subsidiaries or any joint venture in which the Company or any of its Restricted Subsidiaries is a party in a Permitted Business (or in the case of Capital Stock or its substantial equivalent or other Investments that represent direct, or indirect (via a holding company), ownership or other interests held by the Company or any Restricted Subsidiary in entities engaged in a Permitted Business); and (ii) contracts (including supply, customer and EPC contracts) that are used or usable by the Company, any of its Restricted Subsidiaries or any joint venture in which the Company or any of its Restricted Subsidiaries is a party in a Permitted Business.

"*Additional Notes*" means additional Notes (other than the Initial Notes) issued from time to time under this Indenture in accordance with Section 2.01, Section 4.09 and Section 4.10, whether or not they bear the same CUSIP number.

"*Adjusted Consolidated Net Tangible Assets*" means, without duplication, as of the date of determination, the sum of:

(1) discounted future net revenues from proved oil and gas reserves of the Company and its Restricted Subsidiaries calculated in accordance with SEC guidelines (before any future income tax expense estimated in accordance with U.S. GAAP), as estimated by a U.S. nationally recognized firm of independent petroleum engineers in a reserve report prepared as of the end of the Company's most recently completed fiscal year for which audited financial statements are available using a discount rate of 10% and based on the forecast prices and costs utilized in such year-end reserve report, as increased by, as of the date of determination, the discounted future net revenues (before any future income tax expense estimated in accordance with U.S. GAAP) from:

(a) estimated proved oil and gas reserves acquired since the date of such year-end reserve report, and

(b) estimated proved oil and gas reserves attributable to extensions, discoveries and other additions and upwards revisions of estimates of oil and gas reserves since the date of such year-end reserve report due to exploration, development, exploitation or other activities which would, in accordance with standard industry practice, cause such revisions,

in each case, calculated in accordance with SEC guidelines (using a discount rate of 10% and based on the forecast prices and costs utilized in such year-end reserve report), and decreased by, as of the date of determination, the estimated discounted future net revenues from:

(c) estimated proved oil and gas reserves produced or disposed of since the date of such year-end reserve report, and

(d) reductions in estimated proved oil and gas reserves attributable to downward revisions of estimates of proved oil and gas reserves since the date of such year-end reserve report due to changes in geological conditions or other factors that would, in accordance with standard industry practice, cause such revisions,

in each case, calculated in accordance with SEC guidelines (using a discount rate of 10% and based on the forecast prices and costs utilized in such year-end reserve report); *provided* that, in the case of each of the determinations made pursuant to clauses (a) through (d), such increases and decreases shall be as estimated by the Company's internal or independent petroleum engineers,

(2) the capitalized costs that are attributable to oil and gas properties of the Company and its Restricted Subsidiaries to which no

proved oil and gas reserves are attributable, based on the Company's books and records as of the date of the Company's most recent available internal annual or quarterly financial statements,

(3) the Consolidated Net Working Capital of the Company as of the date of the Company's most recently available internal annual or quarterly financial statements, and

(4) the greater of (a) the net book value of other tangible assets of the Company and its Restricted Subsidiaries as of the date of the Company's most recently available internal annual or quarterly financial statements or (b) the appraised value, as estimated by independent appraisers, of other tangible assets of the Company and its Restricted Subsidiaries, in each case, as of the date of the Company's most recently available internal annual or quarterly financial statements (*provided* that if no such appraisal has been performed, the Company shall not be required to obtain such an appraisal and only subclause (a) of this clause (4) shall apply),

minus, to the extent not otherwise taken into account in the immediately preceding clauses (1) through (4), the sum of:

(1) minority interests,

(2) any net gas balancing liabilities of the Company and its Restricted Subsidiaries reflected in the Company's most recently available internal annual or quarterly financial statements,

(3) to the extent included in the amount calculated pursuant to the first clause (1) of this definition, the discounted future net revenues, calculated in accordance with SEC guidelines utilizing the prices utilized in the Company's year-end reserve report, attributable to proved reserves that are required to be delivered to third parties to fully satisfy the obligations of the Company and its Restricted Subsidiaries with respect to Volumetric Production Payments on the schedules specified with respect thereto, and

(4) the discounted future net revenues, calculated in accordance with SEC guidelines, attributable to proved reserves subject to Dollar-Denominated Production Payments that, based on the estimates of production and price assumptions included in determining the discounted future net revenues specified in the first clause (1) of this definition, would be necessary to fully satisfy the payment obligations of the Company and its Restricted Subsidiaries with respect to Dollar-Denominated Production Payments on the schedules specific with respect thereto.

"*Affiliate*" means, with respect to any specified Person, (a) any other Person which, directly or indirectly, is in control of, is controlled by or is under common control with such specified person or (b) any other Person who is a director or officer (i) of such specified Person, (ii) of any subsidiary of such specified Person or (iii) of any Person described in clause (a) above. For purposes of this definition, control of a Person means the power, direct or indirect, to direct or cause the direction of the management and policies of such Person whether by contract or otherwise and the terms "*controlling*" and "*controlled*" have meanings correlative to the foregoing.

"*Agent*" means any Registrar, Paying Agent or Transfer Agent.

"*Applicable Premium*" means, with respect to a Note on any date of redemption, as calculated by the Company, the greater of:

(1) 1.0% of the then outstanding principal amount of such Note; and

(2) the excess, if any, of (a) the present value as of such redemption date of (i) the redemption price of such Note at August 1, 2017, (such redemption price being set forth in Section 3.07(d)), *plus* (ii) all required interest payments due on such Note through August 1, 2017 (excluding accrued but unpaid interest to the redemption date) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points, over (b) the then outstanding principal amount of such Note;

plus in each case any accrued and unpaid interest and Additional Amounts, if any, on such Note to, but excluding, the redemption date (subject to the right of holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date).

"*Asset Sale*" means any sale, lease, transfer or other disposition (whether in a single transaction or a series of related transactions) of any assets by the Company or any Restricted Subsidiary, including by means of a merger, amalgamation, consolidation or similar transaction or a Sale and Leaseback Transaction and including any sale or issuance of the Equity Interests of any Restricted Subsidiary (each of the above referred to as a "*disposition*"); *provided* that, except in the case of any disposition of all or any part of the assets referred to in clause (i) of the definition of Collateral hereof, the following are not included in the definition of "Asset Sale":

(1) a disposition to the Company or a Restricted Subsidiary, including the sale or issuance by the Company or any Restricted Subsidiary of any Equity Interests of any Restricted Subsidiary to the Company or any Restricted Subsidiary (if, in the case of a disposition of assets constituting Collateral, such assets remain subject to a Parity Lien and the transferee assumes the transferor's obligations under the Security Documents with respect thereto);

(2) the sale, lease, transfer or other disposition by the Company or any Restricted Subsidiary in the ordinary course of business of (i) cash, Cash Equivalents and Marketable Securities, (ii) inventory, (iii) damaged, worn out or obsolete equipment or other assets, or (iv) rights granted to others pursuant to leases or licenses;

(3) the lease of assets by the Company or any of its Restricted Subsidiaries in the ordinary course of business;

(4) any sale, lease, transfer or other disposition of any property or concession to any governmental authority;

(5) the sale or discount of accounts receivable arising in the ordinary course of business in connection with the compromise or collection thereof;

(6) a transaction described under Section 5.01;

(7) a Restricted Payment permitted under Section 4.08 or a Permitted Investment;

(8) any issuance of Disqualified Stock otherwise permitted pursuant to Section 4.09;

(9) the creation of a Lien not prohibited by this Indenture (but not the sale or disposition of the property subject to such Lien);

(10) the licensing or sublicensing of intellectual property or other general intangibles, including, without limitation, licenses for seismic data, in the ordinary course of business and which do not materially interfere with the business of the Company and its Restricted Subsidiaries;

(11) the sale or other disposition of Cash Equivalents;

(12) any surrender or waiver of contract rights pursuant to a settlement, release, recovery on or surrender of contract, tort or other claims of any kind;

(13) a disposition of hydrocarbons or mineral products inventory in the ordinary course of business;

(14) the farm-out, lease or sublease of developed or undeveloped Oil and Gas Properties or license or concession to explore or produce oil and natural gas owned or held by the Company or any Restricted Subsidiary in exchange for either (i) Oil and Gas Properties or license or concession to explore or produce oil and natural gas owned or held by another Person or (ii) the assumption by the other Person of any expenditures to explore or produce oil and natural gas in the Oil and Gas properties or license or concession;

(15) any Production Payments and Reserve Sales; *provided* that any such Production Payments and Reserve Sales, other than incentive compensation programs on terms that are

reasonably customary in the Permitted Business for geologists, geophysicists and other providers of technical services to the Company or a Restricted Subsidiary, shall have been created, Incurred, issued, assumed or guaranteed in connection with the financing of, and within 60 days after the acquisition of, the property that is subject thereto; and

(16) any disposition of an asset or a series of related dispositions of assets with an aggregate Fair Market Value not to exceed the greater of (i) U.S. $35.0 million and (ii) 1.75% of Adjusted Consolidated Net Tangible Assets.

"*Average Life*" means, with respect to any Debt, the quotient obtained by dividing (i) the sum of the products of (x) the number of years from the date of determination to the dates of each successive scheduled principal payment of such Debt and (y) the amount of such principal payment by (ii) the sum of all such principal payments.

"*Bankruptcy Law*" means Title 11, U.S. Code, as amended, or any similar federal, state or foreign law for the relief of debtors or other insolvency law in applicable jurisdictions (including applicable foreign jurisdictions).

"*beneficial ownership*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, and "*beneficial owner*" has a corresponding meaning.

"*Board of Directors*" means, with respect to any Person, the Board of Directors or similar governing body of such Person or any duly authorized committee thereof.

"*Business Day*" means any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in the City of New York, USA or Hamilton, Bermuda.

"*Capital Lease Obligations*" means, with respect to any Person, any obligation which is required to be classified and accounted for as a capital lease on the face of a balance sheet of such person prepared in accordance with U.S. GAAP as in effect on the Issue Date; the amount of such obligation will be the capitalized amount thereof, determined in accordance with U.S. GAAP as in effect on the Issue Date; and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty.

"*Capital Stock*" of any Person means any and all shares, shares of stock, membership interests, rights to purchase, warrants, options, units, participations or other equivalents of or interests in (however designated, whether voting or nonvoting), such Person's equity including any Preferred Stock, but excluding any debt securities convertible into or exchangeable for such equity.

"*Cash Equivalents*" means:

(1) U.S. dollars, or money in other currencies received in the ordinary course of business that are readily convertible into U.S. dollars;

(2) any evidence of Debt with a maturity of one year or less issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof, *provided* that the full faith and credit of the United States of America is pledged in

support thereof;

(3) (i) demand deposits, (ii) time deposits and certificates of deposit with maturities of one year or less from the date of acquisition, (iii) bankers' acceptances with maturities not exceeding one year from the date of acquisition, (iv) overnight bank deposits, and (v) deposits in restricted cash accounts, in each case with any bank or trust company organized or licensed under the laws of Bermuda, the Cayman Islands or England or any political subdivision thereof or the United States or any state thereof having capital, surplus and undivided profits in excess of U.S.$500.0 million whose long-term debt is rated "A-2" or higher by S&P or "F2" or higher by Fitch (or the equivalent local rating);

(4) repurchase obligations with a term of not more than seven days for underlying securities of the type described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper rated at least F2 by Fitch or A-1 by S&P (or the equivalent local rating) and maturing within one year after the date of acquisition; and

(6) money market funds at least 95% of the assets of which consist of investments of the type described in clauses (1) through (5) above.

"*Change of Control*" means:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger, amalgamation or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole to any Person (including any "person" as that term is used in Section 13(d)(3) of the Exchange Act) other than to one or more Permitted Holders;

(2) (i) if a Person (other than a Permitted Holder) beneficially owns, directly or indirectly, more than 50% of the outstanding Voting Stock of the Company, measured by voting power rather than number of shares and (ii) no Permitted Holder beneficially owns, directly or indirectly, a greater percentage of the outstanding Voting Stock of the Company than such Person; or

(3) the adoption of a plan or proposal for the liquidation or dissolution of the Company.

"*Change of Control Triggering Event*" means the occurrence of both a Change of Control and a Rating Event.

"*Charge over Shares*" means the first ranking fixed equitable charge over all of the shares outstanding of Kosmos Energy Holdings, amended and restated on March 14, 2014, between the Company and the Security and Intercreditor Agent (as supplemented by the Charge Over Shares Accession Agreement) and as the same may be amended, supplemented, or otherwise modified in a manner not materially adverse to the holders when taken as a whole, as compared to the Charge over Shares as in effect immediately prior to such amendment, supplement or modification.

"*Charge over Shares Accession Agreement*" means that certain accession agreement to the Charge over Shares dated the date hereof between the Company, Trustee and the Security and Intercreditor Agent on behalf of the lenders under the Corporate Revolver and the Holders.

"*Collateral*" means (i) on the Issue Date, 100% of the outstanding Capital Stock of Kosmos Energy Holdings and related assets as specified in the Charge over Shares, and (ii) all assets or

property, now owned or hereafter acquired by the Company, to the extent such assets or property are mortgaged, pledged or assigned or purported to be mortgaged, pledged or assigned, or are required to be mortgaged, pledged or assigned under the Security Documents to the Security and Intercreditor Agent, together with the proceeds thereof.

"*Company*" means the party named as such in the first paragraph of this Indenture or any successor obligor to its obligations under this Indenture and the Notes pursuant to Article 5.

"*Consolidated Income Tax Expense*" means, with respect to any period, the provision for federal, state, local and foreign income taxes (including state franchise taxes accounted for as income taxes in accordance with U.S. GAAP) of the Company and its Restricted Subsidiaries for such period as determined in accordance with U.S. GAAP.

"*Consolidated Interest Expense*" means, for any period, the total consolidated interest expense (less interest income) of the Company and its Restricted Subsidiaries, whether paid or accrued, plus, to the extent not included in such interest expense and without duplication:

(1) interest expense attributable to Capital Lease Obligations;

(2) amortization of debt discount and debt issuance cost (*provided* that any amortization of bond premium will be credited to reduce Consolidated Interest Expense unless, pursuant to U.S. GAAP, such amortization of bond premium has otherwise reduced Consolidated Interest Expense);

(3) non-cash interest expense (to the extent deducted in the calculation of Consolidated Net Income);

(4) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing;

(5) the interest expense on Debt of another Person that is guaranteed by the Company or one of its Restricted Subsidiaries or secured

by a Lien on assets of the Company or one of its Restricted Subsidiaries, whether or not such guarantee or Lien is called upon;

(6) (cash costs associated with Hedging Obligations (including amortization of fees); *provided, however*, that if Hedging Obligations result in net cash benefits rather than costs, such benefits shall be credited to reduce Consolidated Interest Expense unless, pursuant to U.S. GAAP, such net benefits are otherwise reflected in Consolidated Net Income;

(7) the interest expense that was capitalized during such period; and;

(8) all dividends paid or payable in cash, Cash Equivalents or Debt or accrued during such period on any series of Disqualified Stock of the Company or on Preferred Stock of its Restricted Subsidiaries payable to a party other than the Company or a Wholly-Owned Subsidiary;

minus, to the extent included above, any interest attributable to Dollar-Denominated Production Payments; *provided* that, for the purposes of calculating Consolidated Interest Expense, no effect shall be given to the discount and/or premium resulting from the bifurcation of derivatives under FASB ASC 815 and related interpretations as a result of the terms of Debt to which such Consolidated Interest Expense relates.

"*Consolidated Net Income*" means, for any period, the aggregate net income (loss) of the Company and its consolidated Restricted Subsidiaries determined in accordance with U.S. GAAP and after any reduction in respect of Preferred Stock dividends of such Person; *provided*, *however*, that there will not be included (to the extent otherwise included therein) in such Consolidated Net Income on an after-tax basis:

(1) any net income (loss) of any Person (other than the Company) that is not a Restricted Subsidiary, except that:

(a) subject to the limitations contained in clauses (3) and (4) below, the Company's equity in the net income of any such Person will be included only to the extent of the amount of cash dividends or distributions actually distributed by such Person during the relevant period to the Company or a Restricted Subsidiary (subject, in the case of a dividend or other distribution to a Restricted Subsidiary, to the limitations contained in clause (2) below); and

(b) the Company's equity in a net loss of any such Person for such period will be included to the extent such loss has been funded with cash from the Company or a Restricted Subsidiary during such period;

(2) solely for the purpose of determining the amount available for Restricted Payments under Section 4.08(a)(3) any net income (but not loss) of any Restricted Subsidiary (other than a Guarantor) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or distributions, directly or indirectly, to the Company, except that

(a) subject to the limitations contained in clauses (3), (4) and (5) below, the Company's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash that could have been distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to another Restricted Subsidiary, to the limitation contained in this clause); and

(b) the Company's equity in a net loss of any such Restricted Subsidiary for such period will be included in determining such Consolidated Net Income;

(3) any gain or loss realized upon the sale or other disposition of any property, plant or equipment of the Company or its consolidated Subsidiaries (including pursuant to any Sale and Leaseback Transaction) which is not sold or otherwise disposed of in the ordinary course of business and any gain or loss realized upon the sale or other disposition of any Capital Stock of any Person;

(4) any extraordinary or nonrecurring gains or losses, together with any related provision for taxes on such gains or losses and all related fees and expenses;

(5) the cumulative effect of a change in accounting principles;

(6) any "ceiling limitation" or other asset impairment writedowns on Oil and Gas Properties under U.S. GAAP or SEC guidelines;

(7) any unrealized non-cash gains or losses or charges in respect of Hedging Obligations;

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(8) income or loss attributable to discontinued operations (including, without limitation, operations disposed of during such period whether or not such operations were classified as discontinued);

(9) all deferred financing costs written off, and premiums paid, in connection with any early extinguishment of Debt; and

(10) any non-cash compensation charge arising from any grant of stock, stock options or other equity based awards;

provided, further, for the purposes of calculating Consolidated Net Income, no effect shall be given to the discount and/or premium resulting from the bifurcation of derivatives under FASB ASC 815 and related interpretations as a result of the terms of Debt.

"*Consolidated Net Working Capital*" of Company as of any date of determination means the difference (shown on the balance sheet of the Company and its Restricted Subsidiaries determined on a consolidated basis in accordance with U.S. GAAP as of the end of the most recent fiscal quarter of

the Company for which internal financial statements are available) between (i) all current assets of the Company and its Restricted Subsidiaries except unrealized gains relating to Hedging Obligations and (ii) all current liabilities of the Company and its Restricted Subsidiaries except the current portion of Debt, unrealized losses relating to Hedging Obligations and liabilities associated with stock-based compensation.

"*Consolidated Total Debt Ratio*" as of any date of determination means, the ratio of (1) consolidated total Debt (excluding Debt in respect of (A) any letter of credit, except to the extent of unreimbursed amounts under standby letters of credit and (B) Debt under Hedging Agreements existing on the Issue Date or otherwise permitted by Section 4.09(b)(4)) of the Company and its Restricted Subsidiaries as of the end of the most recent fiscal quarter for which internal financial statements are available immediately preceding the date on which such event for which such calculation is being made shall occur minus Cash Equivalents included on the consolidated balance sheet of the Company as of the end of such most recent fiscal quarter to (2) EBITDAX of the Company for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such event for which such calculation is being made shall occur, in each case with such pro forma adjustments to consolidated total Debt, Cash Equivalents and EBITDAX as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio.

"Corporate Revolver" means that certain Revolving Credit Facility Agreement, as amended and restated as of March 14, 2014, among the Company, Kosmos Energy Operating, Kosmos Energy International, Kosmos Energy Development, Kosmos Energy Ghana HC and Kosmos Energy Finance International, Standard Chartered Bank, as Facility Agent, BNP Paribas, as Security and Intercreditor Agent, and the other financial institutions listed therein, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, in each case as amended, restated, modified, renewed, refunded, replaced or refinanced from time to time.

"*Corporate Trust Office of the Trustee*" shall be at the address of the Trustee specified in Section 14.02 or such other address as to which the Trustee may give notice to the Holders and the Company.

"*Credit Facilities*" means, one or more debt facilities, indentures or commercial paper facilities (including, without limitation, the Facility, the Corporate Revolver and the LC Facility), in each case with banks, development banks, credit agencies, investment banks, insurance companies, mutual funds, government sponsored agency and/or other institutional lenders providing for revolving credit

loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from (or sell receivables to) such lenders against such receivables), letters of credit, notes, debentures, bonds or similar instruments, or Capital Lease Obligations, mortgage financings or purchase money obligations Incurred for the purpose of financing all or any part of property, plant or equipment or other assets, in each case, as amended, extended, restated, renewed, refunded, replaced (whether contemporaneously or otherwise) or refinanced (in each case with Credit Facilities), supplemented or otherwise modified (in whole or in part and without limitation as to amount, terms, conditions, covenants and other provisions) from time to time.

"*Custodian*" means the Trustee, as custodian with respect to the Notes in global form, or any successor entity thereto.

"*Debt*" means, with respect to any Person, without duplication:

(1) the principal of and premium, if any, in respect of (a) indebtedness of such person for money borrowed and (b) indebtedness evidenced by notes, debentures, notes or other similar instruments for the payment of which such Person is responsible or liable;

(2) all Capital Lease Obligations of such Person;

(3) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but excluding trade accounts payable or other short-term obligations to suppliers payable within 180 days, in each case arising in the ordinary course of business);

(4) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations described in clauses (1) through (3) above) entered into in the ordinary course of business of such person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the tenth Business Day following receipt by such Person of a demand for reimbursement following payment on the letter of credit);

(5) all obligations of the type referred to in clauses (1) through (4) above of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any guarantee (other than obligations of other persons that are customers or suppliers of such person for which such Person is or becomes so responsible or liable in the ordinary course of business to (but only to) the extent that such Person does not, or is not required to, make payment in respect thereof);

(6) all obligations of the type referred to in clauses (1) through (4) of other Persons secured by any Lien on any property or asset of such person (whether or not such obligation is assumed by such person), the amount of such obligation being deemed to be the lesser of the value of such property or assets or the amount of the obligation so secured;

(7) all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock of such Person or, with respect to any Preferred Stock of any Subsidiary of such person that is not held by such Person or a Restricted Subsidiary of such person, the greater of the maximum liquidation value of such Preferred Stock or the

maximum mandatory redemption or mandatory repurchase price with respect to such Preferred Stock (but excluding, in each case, any accrued

dividends); and

(8) any other obligations of such person which are required to be, or are in such Person's financial statements, recorded or treated as debt under U.S. GAAP;

provided that (other than Disqualified Stock) the foregoing debt shall be included in this definition of Debt only if, and to the extent that, the debt would appear as a liability on a balance sheet of such Person or in the notes to the financial statements in accordance with U.S. GAAP.

Notwithstanding the foregoing, the term "Debt" shall not include:

(1) any leases or rentals of equipment related to exploration, production and commercialization activities, including without limitation, leases or rentals of or related to drilling rigs, pipelines, supply boats, crude oil and LNG carriers, FPSO (floating production storage and offloading) facilities, WHPs (wellhead platforms), TLWPs (tension leg wellhead platforms) and any other equipment or other assets, *provided* that such leases or rentals do not include a bargain purchase option;

(2) in connection with the purchase by the Company or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing;

(3) Production Payments and Reserve Sales;

(4) any obligations to customers, suppliers or service providers in the ordinary course of business with a maturity less than 90 days;

(5) any obligation of a Person in respect of a Farm-In Agreement or similar arrangement whereby such Person agrees to pay all or a share of the drilling, completion or other expenses of an exploratory or development well (which agreement may be subject to a maximum payment obligation, after which expenses are shared in accordance with the working or participation interest therein or in accordance with the agreement of the parties) or perform the drilling, completion or other operation on such well in exchange for an ownership interest in an oil or gas property;

(6) any obligations under Hedging Agreements; *provided* that such agreements are entered into for bona fide hedging purposes of the Company or its Restricted Subsidiaries (as determined in good faith by the Board of Directors or senior management of the Company, whether or not accounted for as a hedge in accordance with U.S. GAAP) and, in the case of currency hedging agreements or commodity hedging agreements, such agreements are related to business transactions of the Company or its Restricted Subsidiaries entered into in the ordinary course of business and, in the case of interest rate hedging agreements, such agreements substantially correspond in terms of notional amount, duration and interest rates, as applicable, to the Debt of the Company or its Restricted Subsidiaries Incurred without violation of this Indenture;

(7) any obligation arising from agreements of the Company or a Restricted Subsidiary providing for indemnification, guarantees or letters of credit, surety bonds or performance bonds, adjustment of purchase price, holdbacks, contingency payment obligations or similar obligations (other than guarantees of Debt), in each case, Incurred or assumed in

connection with the acquisition or disposition of any business, assets or Capital Stock of a Restricted Subsidiary; *provided* that such obligation is not reflected on the face of the balance sheet of the Company or any Restricted Subsidiary;

(8) any obligation arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; *provided*, *however*, that such Debt is extinguished within five business days of Incurrence;

(9) in-kind obligations relating to net oil or natural gas balancing positions arising in the ordinary course of business; and

(10) all contracts and other obligations, agreements, instruments or arrangements described in clauses (16), (17), (18), (19) and (20) of the definition of "Permitted Liens."

"*Deed of Guarantee*" means the Deed of Guarantee and Indemnity, dated as of November 23, 2012, among the Company, Kosmos Energy Operating, Kosmos Energy International, Kosmos Energy Development, Kosmos Energy Ghana HC, Kosmos Energy Finance International and the Security and Intercreditor Agent (as supplemented by the Deed of Guarantee Accession Agreement), and as the same may be amended, supplemented, or otherwise modified in a manner not materially adverse to the holders when taken as a whole, as compared to the Deed of Guarantee as in effect immediately prior to such amendment, supplement or modification.

"*Deed of Guarantee Accession Agreement*" means that certain accession agreement to the Deed of Guarantee dated the date hereof between the Company, each Guarantor, the Trustee and the Security and Intercreditor Agent on behalf of the lenders under the Corporate Revolver and the Holders.

"*Default*" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"*Definitive Note*" means a certificated Initial Note or Additional Note (bearing the Restricted Notes Legend if the transfer of such Note is restricted by applicable law) that does not include the Global Notes Legend.

"*Depositary*" means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.03 as the Depositary with respect to the Notes, and any and all successors thereto appointed as Depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"*Designated Non-cash Consideration*" means the Fair Market Value of non-cash consideration received by the Company or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, executed by the principal financial officer of the Company, less the amount of Cash Equivalents received in connection with a subsequent sale, redemption or repurchase of or collection or payment on such Designated Non-cash Consideration.

"*Disqualified Equity Interests*" means Equity Interests that by their terms or upon the happening of any event are:

(1) required to be redeemed or redeemable at the option of the holder prior to the date that is 91 days after the earlier of Stated Maturity of the Notes for consideration other than Qualified Equity Interests or the date the Notes are no longer outstanding, or

(2) convertible at the option of the holder into Disqualified Equity Interests or exchangeable for Debt;

provided that Equity Interests will not constitute Disqualified Equity Interests solely because of provisions giving holders thereof the right to require repurchase or redemption upon an "asset sale" or "change of control" occurring prior to the Stated Maturity of the Notes if those provisions:

(A) are no more favorable to the holders than the covenants described under Section 4.15 and Section 4.16 and

(B) specifically state that repurchase or redemption pursuant thereto will not be required prior to the Company's repurchase of the Notes as required by this Indenture.

"*Disqualified Stock*" means Capital Stock constituting Disqualified Equity Interests:

"*Dollar-Denominated Production Payments*" means production payment obligations recorded as liabilities in accordance with U.S. GAAP, together with all undertakings and obligations in connection therewith.

"*DTC*" means the Depository Trust Company.

"*EBITDAX*" means, for any period, without duplication, the Consolidated Net Income for such period, plus the following, without duplication and to the extent deducted (and not added back) in calculating such Consolidated Net Income:

(1) Consolidated Interest Expense;

(2) Consolidated Income Tax Expense;

(3) consolidated depletion and depreciation expense of the Company and its Restricted Subsidiaries;

(4) consolidated amortization expense or asset impairment charges of the Company and its Restricted Subsidiaries;

(5) other non-cash charges of the Company and its Restricted Subsidiaries (including, without limitation, any non-cash compensation expenses, non-cash unrealized gains/losses on commodity derivatives, loss on extinguishment of Debt, doubtful account expense, gains/losses on sale of Oil and Gas Properties, but excluding any non-cash charge to the extent it represents an accrual of or reserve for cash charges in any future period or amortization of a prepaid cash expense that was paid in a prior period not included in the calculation); and

(6) consolidated exploration expense of the Company and its Restricted Subsidiaries,

if applicable for such period; and *less*, to the extent included in calculating such Consolidated Net Income and in excess of any costs or expenses attributable thereto that were deducted (and not added back) in calculating such Consolidated Net Income, the sum of (x) the amount of deferred revenues that are amortized during such period and are attributable to reserves that are subject to Volumetric Production

Payments, (y) amounts recorded in accordance with U.S. GAAP as repayments of principal and interest pursuant to Dollar-Denominated Production Payments and (z) other non-cash gains (excluding any non-cash gain to the extent it represents the reversal of an accrual or reserve for a potential cash item that reduced EBITDAX in any prior period).

Notwithstanding the preceding sentence, clauses (1) through (6) relating to amounts of a Restricted Subsidiary of the referent Person will be added to Consolidated Net Income to compute EBITDAX of such Person only in the same proportion that the Net Income of such Restricted Subsidiary was included in calculating the Consolidated Net Income of such Person.

"*Eligible Equity Offering*" means the issuance and sale for cash of Qualified Stock of the Company to any Person (other than a Restricted Subsidiary of the Company) pursuant to (i) a public offering in accordance with any applicable laws, rules and regulations or (ii) a private offering in accordance with Rule 144A, Regulation S and/or another exemption under the Securities Act or any other applicable law, rules and regulations of any other jurisdiction.

"*equally and ratably*" means, in reference to sharing of Liens or proceeds thereof as between the holders of Parity Lien Obligations within the same class after the repayment of amounts payable to the Security and Intercreditor Agent under the Security Documents and the Parity Lien Representatives in accordance with the applicable Parity Lien Document that such Liens or proceeds:

(1) will be allocated and distributed first to the Parity Lien Representative for each outstanding series of Parity Lien Debt

within that class, for the account of the holders of such series of Parity Lien Debt, ratably in proportion to the principal of, and interest and premium (if any) and reimbursement obligations (contingent or otherwise) with respect to letters of credit, if any, outstanding (whether or not drawings have been made under such letters of credit) forming part of, and Hedging Obligations to the extent constituting Parity Lien Debt pursuant to the terms of, each outstanding series of Parity Lien Debt within that class when the allocation or distribution is made; and thereafter

(2) will be allocated and distributed (if any remain after payment in full of all of the principal of, and interest and premium (if any) and reimbursement obligations (contingent or otherwise) with respect to letters of credit, if any, outstanding (whether or not drawings have been made on such letters of credit) forming part of, and Hedging Obligations to the extent constituting Parity Lien Debt pursuant to the terms of, each outstanding series of Parity Lien Debt within that class) to the Parity Lien Representative for each outstanding series of Parity Lien Debt within that class, for the account of the holders of any remaining Parity Lien Obligations within that class, ratably in proportion to the aggregate unpaid amount of such remaining Parity Lien Obligations within that class due and demanded (with written notice to the applicable Parity Lien Representative and the Security and Intercreditor Agent) prior to the date such distribution is made.

"*Equity Interests*" means all Capital Stock and all warrants or options with respect to, or other rights to purchase or receive, Capital Stock, but excluding Debt convertible into equity.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

"*Facility*" means that certain Facility Agreement, as amended and restated as of March 14, 2014, among Kosmos Energy Finance International, Kosmos Energy Operating, Kosmos Energy International, Kosmos Energy Development, Kosmos Energy Ghana HC, BNP Paribas, as Facility Agent and Security Agent, and the other financial institutions listed therein, including any related notes,

guarantees, collateral documents, instruments and agreements executed in connection therewith, in each case as amended, restated, modified, renewed, refunded, replaced or refinanced from time to time.

"*Fair Market Value*" means the price that would be paid in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Company and, unless specified in the relevant provision of this Indenture, if the Fair Market Value exceeds $10.0 million, by an Officer of the Company, whose determination will be conclusive if evidenced by an Officer's Certificate delivered to the Trustee.

"*Farm-In Agreement*" means an agreement whereby a Person agrees to pay all or a share of the drilling, completion or other expenses of an exploratory or development well (which agreement may be subject to a maximum payment obligation, after which expenses are shared in accordance with the working or participation interest therein or in accordance with the agreement of the parties) or perform the drilling, completion or other operation on such well in exchange for an ownership interest in an oil or gas property.

"*Farm-Out Agreement*" means a Farm-In Agreement, viewed from the standpoint of the party that transfers an ownership interest to another.

"*Fitch*" means Fitch Ratings Inc. and any successor to its rating agency business.

"*Fixed Charge Coverage Ratio*" means, on any date (the "transaction date"), the ratio of:

(x) the aggregate amount of EBITDAX of the Company and its Restricted Subsidiaries for the four fiscal quarters immediately prior to the transaction date for which internal financial statements are available (the "reference period") to

(y) the aggregate amount of Consolidated Interest Expense of the Company and its Restricted Subsidiaries during such reference period.

In making the foregoing calculation,

(1) pro forma effect will be given to any Debt Incurred (and the application of proceeds thereof) during or after the reference period to the extent the Debt is outstanding or is to be Incurred on the transaction date as if the Debt had been Incurred on the first day of the reference period; and

(2) pro forma effect will be given to:

(A) the acquisition or disposition of companies, concessions, Oil and Gas Properties, or businesses by the Company and its Restricted Subsidiaries, including any acquisition or disposition of a company, concessions, Oil and Gas Properties or businesses since the beginning of the reference period by a Person that became a Restricted Subsidiary after the beginning of the reference period, and

(B) the discontinuation of any discontinued operations that have occurred since the beginning of the reference period as if such events had occurred, and, in the case of any disposition, the proceeds thereof applied, on the first day of the reference period.

To the extent that pro forma effect is to be given to an acquisition or disposition of a company, division or line of business, the pro forma calculation will be (i) based upon the most recent four full fiscal quarters for which the relevant financial information is available and (ii) determined in good faith by the chief financial officer or the treasurer of the Company (and may include, for the avoidance of doubt, cost savings, synergies and operating expense reductions resulting from such acquisition or disposition which is being given pro forma effect that have been or are expected to be realized based on actions taken, committed to be taken or expected in good faith to be taken within 18 months).

"*Government Securities*" means securities that are (1) direct obligations of the United States for the timely payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States the timely payment of which is unconditionally guaranteed as a full faith and credit obligation of the United States, which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such Government Securities or a specific payment of principal of or interest on any such Government Securities held by such custodian for the account of the holder of such depositary receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the Government Securities or the specific payment of principal of or interest on the Government Securities evidenced by such depositary receipt.

"*guarantee*" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Debt or other obligation of any Person and any obligation, direct or indirect, contingent or otherwise, of such Person (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation of such Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or pay, or to maintain financial statement conditions or otherwise) or (b) entered into for purposes of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided*, *however*, that the term "guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "guarantee" used as a verb has a corresponding meaning.

"*Guarantor*" means:

(1) Kosmos Energy Operating, Kosmos Energy International, Kosmos Energy Development, Kosmos Energy Finance International and Kosmos Energy Ghana HC; and

(2) any other Restricted Subsidiary of the Company that becomes a Guarantor by providing a Note Guarantee in accordance with the provisions of this Indenture and the Security Documents;

and their respective successors and assigns, in each case, until the Note Guarantee of such Person has been released in accordance with the provisions of this Indenture and the Security Documents.

"*Hedging Agreements*" means (i) (a) any interest rate swap agreement, interest rate cap agreement or other agreement designed to protect against fluctuations in interest rates or (b) any foreign exchange forward contract, currency swap agreement or other agreement designed to protect against fluctuations in foreign exchange rates or (ii) any commodity or raw material futures contract or any other agreement designed to protect against fluctuations in raw material prices.

"*Hedging Obligations*" means the obligations of any Person pursuant to Hedging Agreements.

"*Holder"* means the Person in whose name a Note is registered in the Registrar's books.

"*Incur*" means, with respect to any Debt or Capital Stock, to incur, create, issue, assume or guarantee such Debt or Capital Stock. The term "Incurrence" when used as a noun shall have a correlative meaning. The accretion of original issue discount or payment of interest in kind will not be considered an Incurrence of Debt.

"*Indenture*" means this Indenture, as amended or supplemented from time to time.

"*Initial Notes*" has the meaning set forth in the recitals hereto.

"*Intercreditor Agreements*" means (i) the KEFI Intercreditor Agreement and (ii) the KEL Intercreditor Agreement, and in each case, as the same may be amended, supplemented, or otherwise modified in a manner not materially adverse to the Holders when taken as a whole, as compared to the Intercreditor Agreement as in effect immediately prior to such amendment, supplement or modification.

"*interest*" with respect to the Notes means interest with respect thereto and Additional Amounts, if any.

"*Interest Payment Date*" means February 1 and August 1 of each year to stated maturity of the Notes.

"*Investment*" means:

(1) any direct or indirect advance, loan (including guarantees) or other extension of credit to another Person, but excluding (i) any advance, loan or extension of credit to customers in the ordinary course of business and (ii) any advance, loan or extension of credit having a term not exceeding 180 days arising in connection with the sale of inventory, equipment or supplies by that Person in the ordinary course of business,

(2) any capital contribution to another Person, by means of any transfer of cash or other property or in any other form,

(3) any purchase or acquisition of Equity Interests, bonds, notes or other Debt, or other instruments or securities issued by another Person, any acquisitions of assets or substantially all the assets of a Person, including the receipt of any of the above as consideration for the disposition of assets or rendering of services, or

(4) any guarantee of any obligation of another Person.

For purposes of this definition, the term "Person" shall not include the Company or any Restricted Subsidiary or any Person who would become a Restricted Subsidiary as a result of any Investment. If the Company or any Restricted Subsidiary sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary so that, after giving effect to that sale or disposition, such Person is no longer a Restricted

Subsidiary of the Company, all remaining Investments of the Company and the Restricted Subsidiaries in such Person shall be deemed to have been made at such time.

For purposes of Section 4.08, the Company will be deemed to have made an "Investment" in an Unrestricted Subsidiary at the time of its Designation, which will be valued at the Fair Market Value of the sum of the net assets of such Unrestricted Subsidiary at the time of its Designation and the amount of any Debt of such Unrestricted Subsidiary owed to the

Company or any Restricted Subsidiary immediately following such Designation. Any property transferred to or from an Unrestricted Subsidiary will be valued at its Fair Market Value at the time of such transfer.

"*Investment Grade*" means BBB- or higher by S&P or BBB- or higher by Fitch, or the equivalent of such global ratings by S&P or Fitch.

"*Issue Date*" means the date on which the Notes are originally issued under this Indenture.

"*KEFI HY Noteholder Trustee*" means the HY Noteholder Trustee as such term is defined in the KEFI Intercreditor Agreement.

"*KEFI HY Noteholders*" means the HY Noteholders as such term is defined in the KEFI Intercreditor Agreement.

"*KEFI Intercreditor Accession Agreement*" means that certain accession agreement, dated on or about the Issue Date, to the KEFI Intercreditor Agreement among the Trustee, the Company, Kosmos Energy Finance International, BNP Paribas, as Security Agent, Security and Intercreditor Agent and Proceeds Agent, and Standard Chartered Bank (as supplemented by the KEFI Intercreditor Accession Agreement), as the same may be amended, supplemented, or otherwise modified in a manner not materially adverse to the Holders when taken as a whole, as compared to the KEFI Intercreditor Agreement as in effect immediately prior to such amendment, supplement or modification.

"KEFI Intercreditor Agreement" means that certain Intercreditor Agreement, dated as of November 23, 2012, among the Company, *Kosmos* Energy Finance International, BNP Paribas, as Security Agent, Security and Intercreditor Agent and Proceeds Agent, and Standard Chartered Bank.

"*KEL HY Noteholder Trustee*" means the HY Noteholder Trustee as such term is defined in the KEL Intercreditor Agreement.

"*KEL HY Noteholders*" means the HY Noteholders as such term is defined in the KEL Intercreditor Agreement.

"*KEL Intercreditor Agreement"* means the KEL Intercreditor and Security Sharing Agreement, to be dated as of the Issue Date among BNP Paribas, as Security and Intercreditor Agent, Standard Chartered Bank, the Trustee and the Company, as the same may be amended, supplemented, or otherwise modified in a manner not materially adverse to the Holders when taken as a whole, as compared to the KEL Intercreditor Agreement as in effect immediately prior to such amendment, supplement or modification.

"*LC Facility*" means that certain Facility Agreement, as amended and restated as of July 29, 2013, among the Company, Kosmos Energy Credit International and Société Générale, London Branch, as the Original Lender, Facility Agent, Security Agent and Account Bank, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, in each case as amended, restated, modified, renewed, refunded, replaced or refinanced from time to time.

"*Lien*" means any mortgage (legal, equitable or otherwise), pledge, security interest, charge, conditional sale or other title retention agreement or other similar lien.

"*Lien Sharing and Priority Confirmation*" means as to any series of Parity Lien Debt, the written agreement enforceable against the Holders of such series of Parity Lien Debt, as set forth in the

applicable Parity Lien Document (which, for the avoidance of doubt, may include any Intercreditor Agreement or any accession deed or supplement thereto):

(a) for the enforceable benefit of all holders of each existing and future series of Parity Lien Debt and each existing and future Parity Lien Representative, that all Parity Lien Obligations will be and are secured equally and ratably by all Parity Liens at any time granted by the Company or any Guarantor to secure any Obligations in respect of such series of Parity Lien Debt, and that all such Parity Liens will be enforceable by the Security and Intercreditor Agent for the benefit of all holders of Parity Lien Obligations equally and ratably;

(b) for the enforceable benefit of all holders of each existing and future series of Parity Lien Debt, and each existing and future Parity Lien Representative, that the holders of Obligations in respect of such series of Parity Lien Debt are bound by the provisions of the Security Documents, including the provisions relating to the ranking of Parity Liens and the order of application of proceeds from enforcement of Parity Liens; and

(c) consenting to and directing the Security and Intercreditor Agent to perform its obligations under the Security Documents in respect of the Parity Lien Obligations.

"*Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding common shares of Equity Interests of the Company on the date of the declaration of a Restricted Payment permitted pursuant to Section 4.08(b)(14) multiplied by (ii) the arithmetic mean of the closing prices per share of such common shares of Equity Interests on the principal securities exchange on which such common shares of Equity Interests are traded for the 30 consecutive trading days immediately preceding the date of declaration of such Restricted Payment.

"*Marketable Securities*" means publicly traded debt or equity securities that are listed for trading on a national securities exchange and that were issued by a corporation with debt securities rated at least "AA-" from S&P or "AA-" from Fitch, or the equivalent local rating.

"*Net Cash Proceeds*," means, with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash or Cash Equivalents (including (i) payments in respect of deferred payment obligations to the extent corresponding to, principal, but not interest, when received in the form of cash and (ii) proceeds from the conversion of other consideration received when converted to cash), net of:

(1) brokerage commissions and other fees and expenses related to such Asset Sale, including fees and expenses of counsel, accountants and investment bankers;

(2) provisions for taxes as a result of such Asset Sale taking into account the consolidated results of operations of the Company and its Restricted Subsidiaries;

(3) payments required to be made to repay Debt (other than revolving credit borrowings) outstanding at the time of such Asset Sale that is secured by a Lien on the property or assets sold; and

(4) appropriate amounts to be provided as a reserve against liabilities associated with such Asset Sale, including pension and other post-employment benefit liabilities, liabilities related to environmental matters and indemnification obligations associated with such Asset Sale, with any subsequent reduction of the reserve other than by payments made and charged against the reserved amount to be deemed a receipt of cash.

"*Non-Recourse Debt*" means Debt:

(1) as to which neither the Company nor any Restricted Subsidiary (a) provides credit support of any kind (including any undertaking, guarantee, indemnity, agreement or instrument that would constitute Debt), (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender; and

(2) no default with respect to which would permit upon notice, lapse of time or both any holder of any Debt of the Company or any Restricted Subsidiary to declare a default on such Debt or cause the payment of the Debt to be accelerated or payable prior to its stated maturity.

"*Note Guarantee*" means, individually, any guarantee of payment of the Notes and the Company's other Obligations under this Indenture by a Guarantor pursuant to the terms of this Indenture and any supplemental indenture thereto, and, collectively, all such Guarantees.

"*Notes*" means the Initial Notes and more particularly means any Note authenticated and delivered under this Indenture. For all purposes of this Indenture, the term "*Notes*" shall also include any Additional Notes that may be issued under a supplemental indenture and Notes to be issued or authenticated upon transfer, replacement or exchange of Notes.

"*Obligations*" means any principal, interest (including any interest accruing subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable state, federal or foreign law), additional amounts (including Additional Amounts in respect of the Notes), premium, penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and bankers' acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, penalties, fees, expenses, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Debt.

"*Offer to Purchase*" means an Asset Sale Offer or a Change of Control Offer.

"*Offering Memorandum*" means the offering memorandum dated July 25, 2014 related to the offer and sale of the Notes.

"*Officer*" means the Chairman or any Director of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer or the Secretary of any Person, or any other officer of such Person designated by any such individuals or any members or managers. Unless otherwise indicated, Officer shall refer to an Officer of the Company.

"*Officer's Certificate*" means a certificate signed by any of the chief executive officer, the chief operating officer, the chief financial officer, the chief accounting officer, the treasurer, a director, the general counsel or any vice president of the Company or Guarantor.

"*Oil and Gas Properties*" means all properties, including without limitation, equity or other ownership interests directly or indirectly therein, and any interests in any concession or license to explore or produce oil and natural gas.

"*Opinion of Counsel*" means a written opinion from legal counsel who is reasonably acceptable to the Trustee, in each case, containing customary exceptions and qualifications. The counsel may be an employee of or counsel to the Company or the Trustee.

"*Parity Lien*" means a Lien granted by a Security Document to the Security and Intercreditor Agent, at any time, upon any Collateral to secure Parity Lien Obligations.

"*Parity Lien Debt*" means:

(1) the Notes issued by the Company under this Indenture on the Issue Date and any Additional Notes;

(2) any other Debt (including letters of credit and reimbursement obligations with respect thereto) of the Company that is secured equally and ratably with the Notes by a Parity Lien that was permitted to be incurred and so secured under each applicable Parity Lien Document; *provided*, in the case of Debt referred to in this clause (2), that,

(a) on or before the date on which such Debt is incurred by the Company, the documents governing the terms of such Debt are designated by the Company, in accordance with the Intercreditor Agreements, as "Finance Documents" (or such comparable term) for the purposes of the Intercreditor Agreements;

(b) such Debt is governed by an indenture, credit agreement or other agreement that includes a Lien Sharing and Priority Confirmation; and

(c) all requirements set forth in the Security Documents as to the confirmation, grant or perfection of the Security and Intercreditor Agent's Lien, to the extent required, to secure such Debt or Obligations in respect thereof are satisfied (and the satisfaction of such requirements will be conclusively established if the Company delivers to the Security and Intercreditor Agent an Officer's Certificate stating that such requirements have been satisfied); and

(3) Hedging Obligations of the Company incurred to hedge or manage interest rate risk with respect to Parity Lien Debt; *provided* that, pursuant to the terms of the Parity Lien Documents, such Hedging Obligations are secured by a Parity Lien on all of the assets and properties that secure the Debt in respect of which such Hedging Obligations are incurred.

"*Parity Lien Documents*" means this Indenture and any additional indenture, credit agreement or other agreement governing a Series of Parity Lien Debt and the Security Documents that create or perfect Liens securing Parity Lien Obligations.

"*Parity Lien Obligations*" means Parity Lien Debt and all other Obligations in respect thereof.

"*Parity Lien Representative*" means (1) the Trustee (not in its individual capacity, but solely in its capacity as Trustee), in the case of the Notes, or (2) in the case of any other series of Parity Lien Debt, the trustee, agent or representative of the holders of such series of Parity Lien Debt who (a) is appointed as a Parity Lien Representative (for purposes related to the administration of the Security Documents) pursuant to the indenture, credit agreement or other agreement governing such Series of Parity Lien Debt, together with its successors in such capacity, and (b) has become a party to the Security Documents, as necessary, by executing a joinder, accession or supplement thereto in a manner provided for by the Security Documents.

"*Permitted Business*" means any business which is the same as or related, ancillary or complementary to any of the businesses of the Company and its Restricted Subsidiaries on the Issue Date, including without limitation, (1) the acquisition, exploration, development, production, operation and disposition of interests in oil, gas and other hydrocarbon and mineral properties or products produced in association with the foregoing (including without limitation through operating agreements, joint ventures,

partnership agreements, technical evaluation agreements, working interests, royalty interests, mineral leases, processing agreements, Farm-In Agreements, Farm-Out Agreements or otherwise), and the utilization of the Company's and its Restricted Subsidiaries' properties or rights to explore or produce oil and gas, (2) the gathering, marketing, treating, processing, storage, distribution, refining, selling and transporting of any production from such interests, properties or rights products produced in association therewith and the marketing of oil, gas and other hydrocarbons and minerals obtained from unrelated Persons, (3) any other related energy business, including power generation and electrical transmission business, (4) oil field sales and services and related activities, (5) development, purchase and sale of real estate and interests therein, and (6) any business or activity related to, arising from, or necessary, appropriate or incidental to the activities described in the foregoing clauses (1) through (5) of this definition.

"*Permitted Business Investments*" means any Investment and expenditure made in or assets or properties (including Capital Stock, Debt or any other security or instrument of a Person) related to a Permitted Business, including without limitation, (1) ownership interests in oil, natural gas, other hydrocarbons and minerals properties or gathering, transportation, processing, storage or related systems (with directly or indirectly through any investment vehicle); (2) any operating agreements, joint ventures, partnership agreements, working interests, royalty interests, mineral leases, processing agreements, Farm-In Agreements, Farm-Out Agreements, contracts for the sale, transportation or exchange of oil, natural gas and other hydrocarbons, unitization agreements, pooling arrangements, joint bidding agreements, service contracts, partnership agreements, limited liability company agreements, subscription agreements, stock purchase agreements, stockholder agreements, area of mutual interest agreements, production sharing agreements or other similar or customary agreements, transactions, properties, interests, or arrangements, and Investments and expenditures in connection therewith or pursuant thereto; and (3) direct or indirect ownership interests in drilling rigs and related equipment, including, without limitation, transportation equipment.

"*Permitted Collateral Liens*" means (i) Liens on the Collateral arising by operation of law described in one or more of clauses (4), (8), (9), (11) and (23) of the definition of Permitted Liens or (ii) Liens on the Collateral securing obligations under the Corporate Revolver.

"*Permitted Debt*" has the meaning set forth under Section 4.09(b).

"*Permitted Holders*" means any of (1) the directors, officers and other management employees of the Company that are shareholders of the Company on the Issue Date (or any Person at least 51% of each of the Capital Stock and Voting Stock of which (or, in the case of a trust, at least 51% of the beneficial interest in which) is beneficially owned by such Persons) or (2) Warburg Pincus & Co., The Blackstone Group, L.P., or any of their respective Affiliates. Any Person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of this Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"*Permitted Intercompany Activities*" means any transactions between or among the Company and its Restricted Subsidiaries that are entered into in the ordinary course of business or consistent with past practice of the Company and its Restricted Subsidiaries and, in the good faith judgment of the Company are necessary or advisable in connection with the ownership or operation of the business of the Company and its Restricted Subsidiaries, including, but not limited to, (i) payroll, cash management, purchasing, insurance and hedging arrangements and (ii) management, technology and licensing

arrangements, cost sharing agreements, commission or royalty agreements, license or sub-license agreements, distribution agreements, services agreements, intellectual property rights transfer agreements or any related agreements.

"*Permitted Investment*" means:

(1) any Investment in the Company or any Restricted Subsidiary (including, without limitation, in any Debt, other security or instrument thereof, or any account held by the Company or any Restricted Subsidiary with any bank or trust company of a type referred to in clause (3) of the definition of "Cash Equivalents" hereof);

(2) any Investment by the Company or any Restricted Subsidiary in another Person if as a result of such Investment such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, or is liquidated into, the Company or a Restricted Subsidiary or becomes a Restricted Subsidiary;

(3) Investments in Cash Equivalents and marketable securities as determined in accordance with U.S. GAAP;

(4) stocks, obligations or securities received in settlement of (or foreclosure with respect to) debts created in the ordinary course of business and owing to the Company or any Restricted Subsidiary or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of a debtor;

(5) any Investment existing on, or made pursuant to a binding commitments existing on or approved by the Board of Directors as of, the Issue Date and any Investment consisting of an extension, modification or renewal of any Investment existing on the Issue Date;

(6) Investments represented by Hedging Obligations permitted under this Indenture;

(7) Investments which are made exclusively with Capital Stock of the Company (other than Disqualified Stock);

(8) any Investments received in compromise or resolution of (A) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Company or any Restricted Subsidiary, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (B) litigation, arbitration or other disputes with Persons who are not Affiliates;

(9) any acquisition and holding of (a) federal, state and municipal tax credits acquired solely to pay amounts owed by the Company or any Restricted Subsidiary to tax authorities and (b) discounted obligations of any governmental authority acquired solely to pay tax amounts owed by the Company or any Restricted Subsidiary to such governmental authority;

(10) Investments made as a result of the receipt of non-cash consideration from an Asset Sale that was made in compliance with Section 4.16, *provided* that such Investments shall be pledged as Collateral to the extent the assets subject to such Asset Sale constituted Collateral;

(11) receivables owing to the Company or any of its Restricted Subsidiaries, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided* that such trade terms may include such trade terms as the Company or such Restricted Subsidiary deems reasonable under the circumstances;

(12) surety and performance bonds and workers' compensation, utility, lease, tax, performance and similar deposits and prepaid expenses in the ordinary course of business;

(13) prepayments and other credits to suppliers made in the ordinary course of business;

(14) loans and advances pursuant to any employee, officer or director compensation or benefit plans, customary indemnifications or arrangements entered into in the ordinary course of business;

(15) Investments in connection with pledges, deposits, payments or performance bonds made or given in the ordinary course of business in connection with or to secure statutory, regulatory or similar obligations, including obligations under health, safety or environmental obligations;

(16) any Investment acquired from a Person which is merged with or into the Company or any of its Restricted Subsidiaries, or any Investment of any Person existing at the time such Person becomes a Restricted Subsidiary of the Company and, in either such case, is not created as a result of or in connection with or in anticipation of any such transaction;

(17) Guarantees by the Company or any Restricted Subsidiary of operating leases, in each case entered into by the Company or any Restricted Subsidiary in the ordinary course of business;

(18) Guarantees of performance or other obligations arising in the ordinary course in the Permitted Business, including obligations under oil and natural gas exploration, development, joint operating, and related agreements and licenses, concessions or operating leases related to the Permitted Business;

(19) payroll, commission, travel, relocation and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(20) loans or grants in respect of community development projects made in the ordinary course of business customary in the Permitted Business as appropriate for the Company's regions of operations and consistent with past practice or counterparty requirement;

(21) Investments in the Capital Stock of any Person other than a Restricted Subsidiary of the Company that are required to be held pursuant to an involuntary governmental order of consideration, nationalization, seizure or expropriation or other similar order with respect to Capital Stock of such Person (prior to which order such Person was a Subsidiary of the Company);

(22) Investments in marketable securities or instruments to fund the Company's or its Restricted Subsidiary's pension and other employee-related obligations pursuant to compensation arrangements approved by the Board of Directors or senior management of the Company;

(23) Investments made pursuant to a commitment that, when entered into, would have complied with the provisions of this Indenture;

(24) loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers or employees of the Company or any Restricted Subsidiary in respect of travel, entertainment or moving related expense incurred in the ordinary course of business; in respect of moving related expenses incurred in connection with any closing or consolidation or any facility or office;

(25) repurchases of the Notes (including Additional Notes) and related Note Guarantees;

(26) any Permitted Business Investment;

(27) advances made to customers, clients, distributors, suppliers or purchasers or sellers of goods or services, in each case, in the ordinary course of business; and

(28) additional Investments by the Company or any of its Restricted Subsidiaries having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (28) that are at the time outstanding, not to exceed the greater of (i) U.S.$125.0 million and (ii) 3.0% of Adjusted Consolidated Net Tangible Assets at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value).

Eligible Permitted Investments may include, without limitation, investments for which the Trustee or an Affiliate of the Trustee provides services and receives compensation.

"*Person*" means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity, including a government or political subdivision or an agency or instrumentality thereof.

"*Preferred Stock*" means, with respect to any Person, any Capital Stock of such Person that has preferential rights over any other Capital Stock of such Person with respect to dividends, distributions or redemptions or upon liquidation.

"*Production Payments and Reserve Sales*" means the grant or transfer by the Company or a Restricted Subsidiary of the Company to any Person of a royalty, overriding royalty, net profits interest, Production Payment, partnership or other interest in Oil and Gas Properties, reserves or the right to receive all or a portion of the production or the proceeds from the sale of production attributable to such properties, including without limitation any such grants or transfers pursuant to incentive compensation programs on terms that are reasonably customary in the oil and gas business for geologists, geophysicists and other providers of technical services to the Company or a Subsidiary of the Company.

"*Project Finance Debt*" means, with respect to any Restricted Subsidiary, Debt (other than Debt under the Facility, the Corporate Revolver or the LC Facility) of such Restricted Subsidiary that is or was Incurred after the Issue Date to provide funds for all or any part of the cost of exploration, drilling, development, production or operation of or from any interests in oil, gas and other hydrocarbon and mineral properties of such Restricted Subsidiary; *provided* that:

(1) the principal amount of such Debt does not exceed the cost so funded;

(2) any Liens securing such Debt are created within 365 days of the commencement of full operation on such properties (*provided, however*, that if governmental or regulatory approval is required for the creation of such Liens, the Lien will be deemed to have

been created upon application to such governmental or regulatory body for approval, regardless of whether such approval is granted within the 365-day period, or at all); and

(3) neither the Company nor any Guarantor provides any credit support of any kind (including any Debt, undertaking, guarantee, Lien, indemnity, completion guarantee or equity commitment) or is directly or indirectly liable (as a guarantor or otherwise) for any Debt or other obligations of such Restricted Subsidiary directly owning such properties, other than any obligation:

(a) arising under operation of law;

(b) consisting of a guarantee Incurred pursuant to Section 4.09(b)(13); and

(c) of any intermediate holding companies of the Restricted Subsidiary directly holding such properties (including, for the avoidance of doubt, any Guarantor that may be such an intermediate holding company) that have no material assets other than direct or indirect (through one or more intermediate holding companies) holdings of the Capital Stock of, and investments in, such Restricted Subsidiary directly owning such properties; *provided* that recourse against any such intermediate holding company shall be limited to a pledge of or mortgage over the Capital Stock of, and investments in, (x) such Restricted Subsidiary directly owning such properties or (y) any other intermediate holding companies through which the Capital Stock of, or investments in, such Restricted Subsidiary directly owning such properties are held.

Notwithstanding anything in clause (3) above, the Company and the Guarantors may provide completion guarantees, equity commitments or similar credit support (including letters of credit) in relation to the project so funded if:

(A) such completion guarantees, equity commitments or similar credit support (including letters of credit) are consistent with the then current market requirements for limited recourse financing of projects in the oil and gas industry, and

(B) the maximum amount for which the Company or any Guarantor is or may become liable under such completion guarantees, equity commitments or similar credit support (including letters of credit) shall be deemed to constitute Debt and, at the time of such Incurrence, would have been able to be Incurred pursuant to the definition of Permitted Debt in Section 4.09(b).

In addition, Project Finance Debt shall also include Debt of any intermediate holding company of the Restricted Subsidiary directly owning the relevant properties to the extent such Debt is expressly permitted by clause (3) of this definition.

"*Property*" means (i) any land, buildings, machinery and other improvements and equipment located therein, (ii) any intangible assets, including, without limitation, and brand names, trademarks, copyrights and patents and similar rights and (iii) any income (licensing or otherwise), proceeds of sale or other revenues therefrom.

"*Purchase Money Obligations*" means any Debt Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets, and whether acquired through the direct acquisition of such property or assets, or otherwise (including through the purchase of Capital Stock of any Person owning such property or assets).

"*Qualified Equity Interests*" means all Equity Interests of a Person other than Disqualified Equity Interests.

"*Qualified Stock*" means all Capital Stock of a Person other than Disqualified Stock.

"*Rating Agency*" means S&P or Fitch; or if S&P or Fitch are not making rating of the Notes publicly available, an internationally recognized U.S. rating agency or agencies, as the case may be, selected by the Company, which will be substituted for S&P or Fitch or both, as the case may be

"*Rating Event*" means the rating on the Notes is lowered by both of the Rating Agencies on any day within the period (the "*Trigger Period*") commencing on the earlier of (i) the occurrence of a Change of Control and (ii) public announcement of the occurrence of a Change of Control or our or any Person's intention to effect a Change of Control and ending 60 days following the consummation of such Change of Control (which period will be extended so long as the rating of the Notes is under publicly announced consideration for a possible downgrade by either of the Rating Agencies); *provided, however*, that a Rating Event otherwise arising by virtue of a particular reduction in rating will not be deemed to have occurred in respect of a particular Change of Control (and thus will not be deemed a Rating Event for purposes of the definition of Change of Control Triggering Event) if (1) during the Trigger Period, the relevant rating is subsequently upgraded to its level at the beginning of the Trigger Period (or better) or (2) the Rating Agency making the reduction in rating to which this definition would otherwise apply publicly announces or informs the Trustee in writing (or we provide the Trustee with any Officer's Certificate to such effect) at our request that the reduction was not the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control has occurred at the time of the Rating Event).

"*Record Date*" for the interest payable on any applicable Interest Payment Date means the January 15 or July 15 (whether or not a Business Day) next preceding such Interest Payment Date.

"*Relevant Date*" means, with respect to any payment on a Note, whichever is the later of: (i) the date on which such payment first becomes due; and (ii) if the full amount payable has not been received by the Trustee on or prior to such due date, the date on which notice is given to the Holders that the full amount has been received by the Trustee.

"*Responsible Officer*" means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee having direct responsibility for the administration of this Indenture, or any other officer to whom any corporate trust matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"*Restricted Subsidiary*" means any Subsidiary of the Company other than an Unrestricted Subsidiary. Unless otherwise indicated, when used herein, the term "Restricted Subsidiary" shall refer to a Restricted Subsidiary of the Company.

"*S&P*" means Standard & Poor's Ratings Services and any successor to its rating agency business.

"*Sale and Leaseback Transaction*" means, with respect to any Person, an arrangement whereby such Person enters into a lease of property previously transferred by such Person to the lessor.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Securities Act*" means the U.S. Securities Act of 1933, as amended, or any successor statute or statutes thereto.

"*Security and Intercreditor Agent*" means BNP Paribas, as Security and Intercreditor Agent under the Intercreditor Agreements and any successor thereto.

"*Security Documents*" means the Intercreditor Agreements, the Charge over Shares, the Deed of Guarantee and all other security agreements, pledge agreements, collateral assignments, mortgages, collateral agency agreements, intercreditor agreements, deed of trust or other grants or transfers for security executed and delivered by the Company, a Guarantor or any other obligor under the Notes or the Note Guarantees creating (or purporting to create) a Lien upon Collateral in favor of the Security and Intercreditor Agent for the benefit of the holders of the Parity Lien Obligations, in each case, as amended, modified, renewed, restated or replaced, in whole or in part, from time to time, in accordance with its terms.

"*Senior Debt*" means, whether outstanding on the Issue Date or thereafter issued, created, Incurred or assumed, the Debt under the Facility; *provided*, *however*, that Senior Debt will not include: any Indebtedness, guarantee or obligation of the Company that is expressly subordinate or junior in right of payment to any other Indebtedness, guarantee or obligation of the Company, including, without limitation, any Subordinated Debt and any Subordinated Obligations.

"*Significant Subsidiary*" means any Restricted Subsidiary that would be a "Significant Subsidiary" of the Company within the meaning of Rule 1-02 under Regulation S-X promulgated pursuant to the Securities Act.

"*Stated Maturity*" means, with respect to any security, the date specified in such security as the fixed date on which the principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred).

"*Subordinated Debt*" means any Debt of the Company or a Restricted Subsidiary which is subordinated in right of principal payment to the Notes or a Note Guarantee, as applicable, pursuant to a written agreement to that effect.

"*Subsidiary*" means with respect to any Person, any corporation limited liability company, partnership, association or other business entity of which more than 50% of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more Subsidiaries of such Person (or a combination thereof).

"*Transfer Restricted Notes*" means Definitive Notes and any other Notes that bear or are required to bear the Restricted Notes Legend.

"*Treasury Rate*" means, with respect to any redemption date, the yield to maturity as of the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (or, if such statistical release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to August 1, 2017; *provided*, *however*, that if the period from the redemption date to August 1, 2017 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"*Trust Indenture Act*" means the Trust Indenture Act of 1939, as amended.

"*Trustee*" means Wilmington Trust, National Association, as trustee, until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"*U.S. GAAP*" means accounting practices generally accepted in the United States (or, if the Company so elects following the Issue Date by notice to the Trustee, which election may not later be reversed, International Financial Reporting Standards as adopted by the International Accounting Standards Board) as in effect from time to time or on the Issue Date (other than with respect to Capital Lease Obligations), in the Company's discretion.

"*Unrestricted Subsidiary*" means any Subsidiary of the Company designated as an Unrestricted Subsidiary pursuant to Section 4.13. Any such Designation may be revoked by a resolution of the Board of Directors of the Company, subject to Section 4.13.

"*Volumetric Production Payments*" means production payment obligations recorded as deferred revenue in accordance with U.S. GAAP, together with all undertakings and obligations in connection therewith.

"*Voting Stock*" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

"*Wholly-Owned Subsidiary*" means a Restricted Subsidiary of which at least 95% of the Capital Stock or other ownership interest (other than directors' qualifying shares) is owned by the Company or another Wholly-Owned Subsidiary.

Section 1.02 Other Definitions.

Term	**Defined in Section**
"*Additional Amounts*"	Section 4.18(a)
"*Agent Members*"	2.1(c) of Appendix A
"*Applicable Procedures*"	1.1(a) of Appendix A
"*Asset Sale Offer*"	4.16(a)(5)
"*Asset Sale Offer Amount*"	3.09(b)
"*Asset Sale Offer Period*"	3.09(b)

"*Asset Sale Purchase Date*"	3.09(b)
"*Authentication Order*"	2.02(c)
"*Change of Control Offer*"	4.15(a)
"*Change of Control Payment*"	4.15(a)
"*Change of Control Payment Date*"	4.15(a)
"*Clearstream*"	1.1(a) of Appendix A
"*Covenant Defeasance*"	8.03
"*Definitive Notes Legend*"	2.2(e) of Appendix A
"*Designation*"	4.13(a)
"*Distribution Compliance Period*"	1.1(a) of Appendix A
"*ERISA Legend*"	2.2(e) of Appendix A
"*Euroclear*"	1.1(a) of Appendix A
"*Event of Default*"	6.01(a)
"*Excess Proceeds*"	Section 4.16(a)
"*Expiration Date*"	1.05(j)
"Financing Documents"	Section *7.02(m)*

Term	**Defined in Section**
"*Global Note*"	2.1(b) of Appendix A
"*Global Notes Legend*"	2.2(e) of Appendix A
"*Guaranteed Obligations*"	11.01(a)
"*IAI*"	1.1(a) of Appendix A
"*IAI Global Note*"	2.1(b) of Appendix A
"*Legal Defeasance*"	8.02(a)
"*Note Register*"	2.03(a)
"*Paying Agent*"	2.03(a)
"Payment Default"	Section 6.01(a)
"PDF"	Section 14.18
"*Permitted Liens*"	Section 4.10(b)
"Permitted Refinancing Debt"	Section 4.09(b)
"*QIB*"	1.1(a) of Appendix A
"*Related Party Transaction*"	Section 4.14(a)
"Relevant Taxing Jurisdiction"	Section 4.18(a)
"*Registrar*"	2.03(a)
"*Regulation S*"	1.1(a) of Appendix A
"*Regulation S Global Note*"	2.1(b) of Appendix A
"*Regulation S Notes*"	2.1(a) of Appendix A
"*Restricted Paymenst*"	4.08(a)
"*Restricted Notes Legend*"	2.2(e) of Appendix A
"*Revocation*"	Section 4.13(b)
"*Rule 144*"	1.1(a) of Appendix A
"*Rule 144A*"	1.1(a) of Appendix A
"*Rule 144A Global Note*"	2.1(b) of Appendix A
"*Rule 144A Notes*"	2.1(a) of Appendix A
"*Successor Company*"	5.01(a)
"*Successor Guarantor*"	Section 5.01(d)
"*Transparency Directive*"	Section 4.18(g)
"*Unrestricted Global Note*"	1.1(a) of Appendix A

Section 1.03 Rules of Construction.

Unless the context otherwise requires:

(1) a term defined in Section 1.01 or 1.02 has the meaning assigned to it therein;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with U.S. GAAP;

(3) "or" is not exclusive;

(4) words in the singular include the plural, and words in the plural include the singular;

(5) provisions apply to successive events and transactions;

(6) unless the context otherwise requires, any reference to an "Appendix," "Article," "Section," "clause," "Schedule" or "Exhibit" refers to an Appendix, Article, Section, clause, Schedule or Exhibit, as the case may be, of this Indenture;

(7) the words "herein," "hereof" and other words of similar import refer to this Indenture as a whole and not any particular Article,

Section, clause or other subdivision;

(8) "including" means including without limitation;

(9) references to sections of, or rules under, the Securities Act, the Exchange Act or the Trust Indenture Act shall be deemed to include substitute, replacement or successor sections or rules adopted by the SEC from time to time;

(10) unless otherwise provided, references to agreements and other instruments shall be deemed to include all amendments and other modifications to such agreements or instruments, but only to the extent such amendments and other modifications are not prohibited by the terms of this Indenture; and

(11) in the event that a transaction meets the criteria of more than one category of permitted transactions or listed exceptions, the Company may classify such transaction as it, in its sole discretion, determines.

Section 1.04 [Reserved].

Section 1.05 Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustee and, where it is hereby expressly required, to the Company and the Guarantors. Proof of execution of any such instrument or of a writing appointing any such agent, or the holding by any Person of a Note, shall be sufficient for any purpose of this Indenture and (subject to Section 7.01) conclusive in favor of the Trustee, the Company and the Guarantors, if made in the manner provided in this Section 1.05.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved (1) by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof or (2) in any other manner deemed reasonably sufficient by the Trustee. Where such execution is by or on behalf of any legal entity other than an individual, such certificate or affidavit shall also constitute proof of the authority of the Person executing the same. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner that the Trustee deems sufficient.

(c) The ownership of Notes shall be proved by the Note Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Note shall bind every future Holder of the same Note and the Holder of every Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, in respect of any action taken, suffered or omitted by the Trustee, the Company or the Guarantors in reliance thereon, whether or not notation of such action is made upon such Note.

(e) The Company may set a record date for purposes of determining the identity of Holders entitled to make, give or take any request, demand, authorization, direction, notice, consent,

waiver or other action provided in this Indenture to be made, or to vote on or consent to any action authorized or permitted to be taken by Holders; *provided* that the Company may not set a record date for, and the provisions of this paragraph shall not apply with respect to, the giving or making of any notice, declaration, request or direction referred to in clause (f) below. Unless otherwise specified, if not set by the Company prior to the first solicitation of a Holder made by any Person in respect of any such action, or in the case of any such vote, prior to such vote, any such record date shall be the later of 30 days prior to the first solicitation of such consent or vote or the date of the most recent list of Holders furnished to the Trustee prior to such solicitation or vote. If any record date is set pursuant to this clause (e), the Holders on such record date, and only such Holders, shall be entitled to make, give or take such request, demand, authorization, direction, notice, consent, waiver or other action (including revocation of any action), whether or not such Holders remain Holders after such record date; *provided* that no such action shall be effective hereunder unless made, given or taken on or prior to the applicable Expiration Date by Holders of the requisite principal amount of Notes, or each affected Holder, as applicable, on such record date. Promptly after any record date is set pursuant to this paragraph, the Company, at its own expense, shall cause notice of such record date, the proposed action by Holders and the applicable Expiration Date to be given to the Trustee in writing and to each Holder in the manner set forth in Section 14.02.

(f) The Trustee may set any day as a record date for the purpose of determining the Holders entitled to join in the giving or making of (1) any notice of default under Section 6.01(a), (2) any declaration of acceleration referred to in Section 6.02, (3) any direction referred to in Section 6.05 or (4) any request to pursue a remedy as permitted in Section 6.06. If any record date is set pursuant to this paragraph, the Holders on such record date, and no other Holders, shall be entitled to join in such notice, declaration, request or direction, whether or not such Holders remain Holders after such record date; *provided* that no such action shall be effective hereunder unless made, given or taken on or prior to the applicable Expiration Date by Holders of the requisite principal amount of Notes or each affected Holder, as applicable, on such record date. Promptly after any record date is set pursuant to this paragraph, the Trustee, at the Company's expense, shall cause notice of such record date, the proposed action by Holders and the applicable Expiration Date to be given to the Company and to each Holder in the manner set forth in Section 14.02.

(g) Without limiting the foregoing, a Holder entitled to take any action hereunder with regard to any particular Note may do so with regard to all or any part of the principal amount of such Note or by one or more duly appointed agents, each of which may do so pursuant to such appointment with regard to all or any part of such principal amount. Any notice given or action taken by a Holder or its agents with regard to different parts of such principal amount pursuant to this paragraph shall have the same effect as if given or taken by separate Holders of each such different part.

(h) Without limiting the generality of the foregoing, a Holder, including a Depositary that is the Holder of a Global Note, may make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders, and a Depositary that is the Holder of a Global Note may provide its proxy or proxies to the

beneficial owners of interests in any such Global Note through such Depositary's standing instructions and customary practices.

(i) The Company may fix a record date for the purpose of determining the Persons who are beneficial owners of interests in any Global Note held by a Depositary entitled under the procedures of such Depositary, if any, to make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders; *provided* that if such a record date is fixed, only the beneficial owners of interests in such Global Note on such record date or their duly appointed proxy or proxies shall be entitled to make, give or take such request, demand, authorization, direction, notice,

consent, waiver or other action, whether or not such beneficial owners remain beneficial owners of interests in such Global Note after such record date. No such request, demand, authorization, direction, notice, consent, waiver or other action shall be effective hereunder unless made, given or taken on or prior to the applicable Expiration Date.

(j) With respect to any record date set pursuant to this Section 1.05, the party hereto that sets such record date may designate any day as the "*Expiration Date*" and from time to time may change the Expiration Date to any earlier or later day; *provided* that no such change shall be effective unless notice of the proposed new Expiration Date is given to the other party hereto in writing, and to each Holder of Notes in the manner set forth in Section 14.02, on or prior to both the existing and the new Expiration Date. If an Expiration Date is not designated with respect to any record date set pursuant to this Section 1.05, the party hereto which set such record date shall be deemed to have initially designated the 90th day after such record date as the Expiration Date with respect thereto, subject to its right to change the Expiration Date as provided in this clause (j).

ARTICLE 2

THE NOTES

Section 2.01 Form and Dating; Terms.

(a) Provisions relating to the Initial Notes, Additional Notes and any other Notes issued under this Indenture are set forth in Appendix A, which is hereby incorporated in and expressly made a part of this Indenture. The Notes and the Trustee's certificate of authentication shall each be substantially in the form of Exhibit A hereto, which is hereby incorporated in and expressly made a part of this Indenture. The Notes may have notations, legends or endorsements required by law, rules or agreements with national securities exchanges to which the Company or any Guarantor is subject, if any, or usage (*provided* that any such notation, legend or endorsement is in a form acceptable to the Company). Each Note shall be dated the date of its authentication. The Notes shall be in denominations of $200,000 and integral multiples of $1,000 in excess thereof.

(b) The aggregate principal amount of Notes that may be authenticated and delivered under this Indenture is unlimited.

The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture, and the Company, the Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

The Notes shall be subject to repurchase by the Company pursuant to an Asset Sale Offer as provided in Section 4.16 or a Change of Control Offer as provided in Section 4.15, and otherwise as not prohibited by this Indenture. The Notes shall not be redeemable, other than as provided in Article 3.

Additional Notes ranking *pari passu* with the Initial Notes may be created and issued from time to time by the Company without notice to or consent of the Holders and shall be consolidated with and form a single class with the Initial Notes and shall have the same terms as to status, redemption or otherwise (other than issue date, issue price and, if applicable, the first Interest Payment Date and the first date from which interest will accrue) as the Initial Notes; *provided* that the Company's ability to issue Additional Notes shall be subject to the Company's compliance with Section 4.09 and Section 4.10; *provided*, further, that unless such Additional Notes are issued under a separate CUSIP, such Additional Notes will be fungible with the Initial Notes for U.S. federal income tax purposes.

Section 2.02 Execution and Authentication.

(a) At least one Officer shall execute the Notes on behalf of the Company by manual or facsimile signature. If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note shall nevertheless be valid.

(b) A Note shall not be entitled to any benefit under this Indenture or be valid or obligatory for any purpose until authenticated substantially in the form of Exhibit A attached hereto by the manual signature of an authorized signatory of the Trustee. The signature shall be conclusive evidence that the Note has been duly authenticated and delivered under this Indenture.

(c) On the Issue Date, the Trustee shall, upon receipt of a written order of the Company signed by an Officer (an "*Authentication Order*"), authenticate and deliver the Initial Notes. In addition, at any time and from time to time, the Trustee shall, upon receipt of an Authentication Order, authenticate and deliver any Additional Notes in an aggregate principal amount specified in such Authentication Order for such Additional Notes issued hereunder.

(d) The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders, the Company or an Affiliate of the Company.

(e) The Trustee shall authenticate and make available for delivery upon a written Authentication Order of the Company signed by one Officer of the Company (a) Initial Notes for original issue on the Issue Date in an aggregate principal amount of $300,000,000, (b) subject to the terms of this Indenture, Additional Notes and (c) any Unrestricted Global Notes issued in exchange for any of the foregoing in accordance with this Indenture. Such Authentication Order shall specify the amount of the Notes to be authenticated, the date on which the original issue of Notes is to be authenticated and whether the Notes are to be Initial Notes, Additional Notes or Unrestricted Global Notes.

Section 2.03 Registrar and Paying Agent.

(a) The Company shall maintain an office or agency where Notes may be presented for registration of transfer or for exchange ("*Registrar*") and at least one office or agency where Notes may be presented for payment ("*Paying Agent*"). The Registrar shall keep a register of the Notes ("*Note Register*") and of their transfer and exchange. The Company may appoint one or more co-registrars and one or more additional paying agents. The term "*Registrar*" includes any co-registrar, and the term "*Paying Agent*" includes any additional paying agent. The Company may change any Paying Agent or Registrar without prior notice to any Holder. The Company shall notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Company fails to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The Company may change the Paying or Registrar without prior notice to the Holders of the Notes, the Company or any of its Restricted Subsidiaries may act as Paying Agent or Registrar.

(b) The Company initially appoints DTC to act as Depositary with respect to the Global Notes. The Company initially appoints the Trustee to act as Paying Agent and Registrar for the Notes and to act as Custodian with respect to the Global Notes.

(c) As long as the Notes are listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market and the rules of the exchange so require, the Company will also maintain a listing agent, a transfer agent and a paying agent in Luxembourg. The Company initially appoints Banque

Internationale à Luxembourg S.A. to act as Luxembourg Listing Agent, Luxembourg Paying Agent and Luxembourg Transfer Agent in Luxembourg for the Notes.

Section 2.04 Paying Agent to Hold Money in Trust.

The Company shall, no later than 10:00 a.m. (New York City time) on each due date for the payment of principal, premium, if any, and interest on any of the Notes, deposit with a Paying Agent a sum sufficient to pay such amount, such sum to be held in trust for the Holders entitled to the same, and (unless such Paying Agent is the Trustee) the Company shall promptly notify the Trustee of its action or failure so to act. The Company shall require each Paying Agent other than the Trustee to agree in writing that such Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by such Paying Agent for the payment of principal, premium, if any, and interest on the Notes, and shall notify the Trustee of any default by the Company in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, a Paying Agent shall have no further liability for the money. If the Company or a Subsidiary acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Company, the Trustee shall serve as Paying Agent for the Notes.

To the extent that the Paying Agent receives any amounts pursuant to this Section 2.04 and such amounts are remitted to the Holders, the Trustee and the Paying Agent shall have no further obligations with respect thereto. Each Holder of a Note or a beneficial interest therein by its acceptance thereof agrees that if any amounts received by it are determined to be in contravention of the provisions of an Intercreditor Agreement it shall hold such funds and pay them to the Security and Intercreditor Agent as described in the Intercreditor Agreements.

Section 2.05 Holder Lists.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders in the Note Register. If the Trustee is not the Registrar, the Company shall furnish to the Trustee at least two Business Days before each Interest Payment Date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders.

Section 2.06 Transfer and Exchange.

(a) The Notes shall be issued in registered form and shall be transferable only upon the surrender of a Note for registration of transfer and in compliance with Appendix A.

(b) To permit registrations of transfers and exchanges, the Company shall execute and the Trustee shall authenticate Global Notes and Definitive Notes upon receipt of an Authentication Order in accordance with Section 2.02 or at the Registrar's request.

(c) No service charge shall be imposed in connection with any registration of transfer or exchange (other than pursuant to Section 2.07), but the Holders shall be required to pay any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.10, 3.06, 3.09, 4.15, 4.16, 4.18 and 9.05).

(d) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes shall be the valid obligations of the Company, evidencing

the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(e) None of the Company, the Transfer Agent and the Registrar shall be required (1) to issue, to register the transfer of or to exchange any Note during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.02 and ending at the close of business on the day of selection, (2) to register the transfer of or to exchange any Note so selected for redemption, or tendered for repurchase (and not withdrawn) in connection with a Change of Control Offer or an Asset Sale Offer, in whole or in part, except the unredeemed or unpurchased portion of any Note being redeemed or repurchased in part or (3) to register the transfer of or to exchange any Note between a Record Date and the next succeeding Interest Payment Date.

(f) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Company may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal, premium, if any, and (subject to the Record Date provisions of the Notes) interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Company shall be affected by notice to the contrary.

(g) Upon surrender for registration of transfer of any Note at the office or agency of the Company designated pursuant to Section 4.02, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more replacement Notes of any authorized denomination or denominations of a like aggregate principal amount.

(h) At the option of the Holder, Notes may be exchanged for other Notes of any authorized denomination or denominations of a like aggregate principal amount upon surrender of the Notes to be exchanged at the Corporate Trust Office of the Registrar or such other office specified by the Company. Whenever any Global Notes or Definitive Notes are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the replacement Global Notes and Definitive Notes which the Holder making the exchange is entitled to in accordance with the provisions of Section 2.02 and Appendix A.

(i) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by mail or by facsimile or electronic transmission (provided that such electronic transmission shall be in the form of a pdf file of a document executed by the required Person).

(j) All transfers and exchanges of any Note shall be subject to the provisions set forth in Appendix A. In addition, the Trustee and the Registrar shall be entitled to receive such evidence as may be reasonably requested by it to establish the identity and/or signatures of any transferee or transferor.

Section 2.07 Replacement Notes.

If a mutilated Note is surrendered to the Trustee or the Registrar or if a Holder claims that its Note has been lost, destroyed or wrongfully taken and the Trustee and the Registrar receive evidence to its satisfaction of the ownership and loss, destruction or theft of such Note, the Company shall issue and the Trustee, upon receipt of an Authentication Order, shall authenticate a replacement Note if the Trustee's requirements are otherwise met. If required by the Trustee or the Company, an indemnity bond must be provided by the Holder that is sufficient in the judgment of the Trustee and the Company to protect the Company, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Company may charge the Holder for the expenses of the Company, the Trustee and the Registrar in replacing a Note. Every replacement Note is a contractual obligation of

the Company and shall be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder. Notwithstanding the foregoing provisions of this Section 2.07, in case any mutilated, lost, destroyed or wrongfully taken Note has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Note, pay such Note.

Section 2.08 Outstanding Notes.

(a) The Notes outstanding at any time are all the Notes authenticated by the Trustee or any authenticating agent except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section 2.08 as not outstanding. Except as set forth in Section 2.09, a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Note; *provided* that Notes held by the Company or a Subsidiary of the Company will not be deemed to be outstanding for purposes of Section 3.07(b).

(b) If a Note is replaced pursuant to Section 2.07, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a protected purchaser, as such term is defined in Section 8-303 of the Uniform Commercial Code in effect in the State of New York.

(c) If the principal amount of any Note is considered paid under Section 4.01, it ceases to be outstanding and interest on it ceases to accrue from and after the date of such payment.

(d) If the Trustee or a Paying Agent (other than the Company, a Subsidiary or an Affiliate of any thereof) holds, on the maturity date, any redemption date or any date of purchase pursuant to an Offer to Purchase, money sufficient to pay Notes payable or to be redeemed or purchased on that date and such Paying Agent is not prohibited from paying such money to the Holders on that date pursuant to Article 12, then on and after that date such Notes shall be deemed to be no longer outstanding and shall cease to accrue interest.

Section 2.09 Treasury Notes.

In determining whether the Holders of the requisite principal amount of Notes have concurred in any direction, waiver or consent, Notes beneficially owned by the Company, or by any Affiliate of the Company, shall be considered as though not outstanding, except that for the purposes of

determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes that a Responsible Officer of the Trustee knows are so owned shall be so disregarded. Notes so owned which have been pledged in good faith shall not be disregarded if the pledgee establishes to the satisfaction of the Trustee the pledgee's right to deliver any such direction, waiver or consent with respect to the Notes and that the pledgee is not the Company or any obligor upon the Notes or any Affiliate of the Company or of such other obligor.

Section 2.10 Temporary Notes.

Until definitive Notes are ready for delivery, the Company may prepare and the Trustee, upon receipt of an Authentication Order, shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of definitive Notes but may have variations that the Company considers appropriate for temporary Notes and as shall be reasonably acceptable to the Trustee. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate definitive Notes in exchange for temporary Notes. Holders and beneficial holders, as the case may be, of temporary Notes shall be entitled to all of the benefits accorded to Holders, or beneficial holders, respectively, of Notes under this Indenture.

Section 2.11 Cancellation.

The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee or, at the direction of the Trustee, the Registrar or the Paying Agent and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and shall destroy cancelled Notes in accordance with its customary procedures (subject to the record retention requirement of the Exchange Act). Certification of the destruction of all cancelled Notes shall, upon the written request of the Company, be delivered to the Company. The Company may not issue new Notes to replace Notes that it has paid or that have been delivered to the Trustee for cancellation.

Section 2.12 Defaulted Interest.

(a) If the Company defaults in a payment of interest on the Notes, it shall pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Notes and in Section 4.01. The Company shall notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such defaulted interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such defaulted interest as provided in this Section 2.12. The Company shall fix or cause to be fixed each such special record date and payment date; *provided* that no such special record date shall be less than ten days prior to the related payment date for such defaulted interest. The Company shall promptly notify the Trustee of such special record date. At least 15 days before the special record date, the Company (or, upon the written request of the Company, the Trustee in the name and at the expense of the Company) shall mail or deliver by electronic transmission in accordance with the applicable procedures of the Depositary, or cause to be mailed or delivered by electronic transmission in accordance with the applicable procedures of the Depositary to each Holder a notice that states the special record date, the related payment date and the amount of such interest to be paid.

(b) Subject to the foregoing provisions of this Section 2.12 and for greater certainty, each Note delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Note shall carry the rights to interest accrued and unpaid, and to accrue interest, which were carried by such other Note.

Section 2.13 CUSIP and ISIN Numbers

The Company in issuing the Notes may use CUSIP or ISIN numbers (if then generally in use) and, if so, the Trustee shall use CUSIP or ISIN numbers in notices of redemption or exchange or in Offers to Purchase as a convenience to Holders; *provided* that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of redemption or exchange or in Offers to Purchase and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption or exchange or Offer to Purchase shall not be affected by any defect in or omission of such numbers. The Company shall as promptly as practicable notify the Trustee in writing of any change in the CUSIP or ISIN numbers.

ARTICLE 3

REDEMPTION

Section 3.01 Notices to Trustee.

If the Company elects to redeem Notes pursuant to Section 3.07, it shall furnish to the Trustee, Registrar, Paying Agent and Transfer Agent no later than 45 days before notice of redemption is required to be mailed or caused to be mailed to Holders pursuant to Section 3.03 (unless a shorter notice shall be agreed to by the Trustee) but not more than 60 days before a redemption date (unless in connection with a defeasance under Article 8), an Officer's Certificate setting forth the paragraph or subparagraph of such Note or Section of this Indenture pursuant to which the redemption shall occur and such information as is required under Section 3.03(b).

Section 3.02 Selection of Notes to Be Redeemed or Purchased.

(a) If less than all of the Notes are to be redeemed pursuant to Section 3.07 or purchased in an Offer to Purchase at any time, the selection of the Notes to be redeemed or purchased shall be made as follows: (1) if the Notes are listed on any national securities exchange and the Paying Agent is notified of such listing, in compliance with the requirements of the principal national securities exchange on which the Notes are listed or (2) if such

national securities exchange has no requirement governing redemptions or if the Notes are not so listed, the Depositary shall select the Notes by lot in the case of Global Notes and otherwise on a *pro rata* basis, by lot or by such other method as the Paying Agent in its sole discretion deems to be fair and appropriate. In the event of partial redemption or purchase by lot, the particular Notes to be redeemed or purchased shall be selected, unless otherwise provided herein, not less than 30 (or 15 days in the case of Section 3.07(g)) nor more than 60 days prior to the redemption date by the Trustee from the then outstanding Notes not previously called for redemption or purchase.

(b) The Trustee shall promptly notify the Company in writing of the Notes selected for redemption or purchase and, in the case of any Note selected for partial redemption or purchase, the principal amount thereof to be redeemed or purchased. Notes and portions of Notes selected shall be in amounts of $1,000 or integral multiples of $1,000; *provided* that no Notes of $200,000 in principal amount or less shall be redeemed in part. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption or purchase also apply to portions of Notes called for redemption or purchase.

(c) After the redemption date or purchase date, upon surrender of a Note to be redeemed or purchased in part only, a new Note or Notes in principal amount equal to the unredeemed or unpurchased portion of the original Note, representing the same Debt to the extent not redeemed or not purchased, shall be issued in the name of the Holder of the Notes upon cancellation of the original Note (or appropriate book entries shall be made to reflect such partial redemption).

Section 3.03 Notice of Redemption.

(a) Subject to Section 3.09, the Company shall mail or deliver by electronic transmission in accordance with the applicable procedures of the Depositary, or cause to be mailed (or delivered by electronic transmission in accordance with the applicable procedures of the Depositary) notices of redemption of Notes not less than 30 days (or 15 days in the case of Section 3.07(g)) but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed pursuant to this Article at such Holder's registered address or otherwise in accordance with the applicable procedures of the Depositary, except that redemption notices may be mailed more than 60 days prior to a redemption

date if the notice is issued in connection with Article 8 or Article 13. Except as set forth in Section 3.07(f), notices of redemption may not be conditional.

(b) The notice shall identify the Notes to be redeemed (including CUSIP and ISIN number, if applicable) and shall state:

(1) the redemption date;

(2) the redemption price, including the portion thereof representing any accrued and unpaid interest; *provided* that in connection with a redemption under Section 3.07(a), the notice need not set forth the redemption price but only the manner of calculation thereof;

(3) if any Note is to be redeemed in part only, the portion of the principal amount of that Note that is to be redeemed;

(4) the name and address of the Paying Agent;

(5) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(6) that, unless the Company defaults in making such redemption payment or the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture, interest on Notes called for redemption ceases to accrue on and after the redemption date;

(7) the paragraph or subparagraph of the Notes or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed;

(8) that no representation is made as to the correctness or accuracy of the CUSIP or ISIN number, if any, listed in such notice or printed on the Notes; and

(9) if applicable, any condition to such redemption.

(c) At the Company's request, the Trustee shall give the notice of redemption in the Company's name and at the Company's expense; *provided* that the Company shall have delivered to the Trustee, at least 45 days before notice of redemption is required to be sent or caused to be sent to Holders pursuant to this Section 3.03 (unless a shorter notice shall be agreed to by the Trustee), an Officer's Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in Section 3.03(b).

(d) From and after the date the Notes are listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market and so long as it is required by the rules of such exchange, the Company shall publish notice of redemption as described in Section 14.02(d).

Section 3.04 Effect of Notice of Redemption.

Once notice of redemption is given in accordance with Section 3.03, Notes called for redemption become irrevocably due and payable on the redemption date at the redemption price (except as provided for in Section 3.07(f)). The notice, if mailed or delivered by electronic transmission in a manner herein provided, shall be conclusively presumed to have been given, whether or not the Holder receives such notice. In any case, failure to give such notice or any defect in the notice to the Holder of any Note designated for redemption in whole or in part shall not affect the validity of the proceedings for the redemption of any other Note. Subject to Section 3.05, on and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

Section 3.05 Deposit of Redemption or Purchase Price.

(a) No later than 10:00 a.m. (New York City time) on the redemption or purchase date, the Company shall deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption or purchase price of and accrued and unpaid interest on all Notes to be redeemed or purchased on that date. If a Note is redeemed or purchased on or after a Record Date but on or prior to the related Interest Payment Date, then any accrued and unpaid interest shall be paid to the Holder of record on such Record Date. The Paying Agent shall promptly send to each Holder whose Notes are to be redeemed or repurchased the applicable redemption or purchase price thereof and accrued and unpaid interest thereon via wire transfer of immediately available funds to the accounts specified by such Holders thereof. The Trustee or the Paying Agent shall promptly return to the Company any money deposited with the Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the redemption or purchase price of, and accrued and unpaid interest on, all Notes to be redeemed or purchased.

(b) If the Company complies with the provisions of Section 3.05(a), on and after the redemption or purchase date, interest shall cease to accrue on the Notes or the portions of Notes called for redemption or purchase. If a Note is redeemed or purchased on or after a Record Date but on or prior to the related Interest Payment Date, then any accrued and unpaid interest to the redemption or purchase date in respect of such Note will be paid on such redemption or purchase date to the Person in whose name such Note is registered at the close of business on such Record Date. If any Note called for redemption or purchase shall not be so paid upon surrender for redemption or purchase because of the failure of the Company to comply with Section 3.05(a), interest shall be paid on the unpaid principal, from the redemption or purchase date until such principal is paid, and, to the extent lawful, on any interest accrued to the redemption or purchase date not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01.

Section 3.06 Notes Redeemed or Purchased in Part.

Upon surrender of a Note that is redeemed or purchased in part, the Company shall issue and, upon receipt of an Authentication Order, the Trustee shall promptly authenticate and mail to the Holder (or make appropriate adjustments to the amount and beneficial interests in any Global Note) at the expense of the Company a new Note equal in principal amount to the unredeemed or unpurchased portion of the Note surrendered representing the same Debt to the extent not redeemed or purchased; *provided* that each new Note shall be in a principal amount of $200,000 or an integral multiple of $1,000 in excess thereof. It is understood that, notwithstanding anything in this Indenture to the contrary, only an Authentication Order and not an Opinion of Counsel or Officer's Certificate is required for the Trustee to authenticate such new Note.

Section 3.07 Optional Redemption.

(a) At any time prior to August 1, 2017 , the Company may on any one or more occasions redeem the Notes, at its option, in whole or in part, upon notice pursuant to Section 3.03 at a redemption price as calculated by the Company equal to 100% of the outstanding principal amount of such Notes, plus the Applicable Premium. Promptly after the determination thereof, the Company shall give the Trustee notice of the redemption price provided for in this Section 3.07(a), and the Trustee shall not be responsible for such calculation.

(b) On or prior to August 1, 2017, the Company may on any one or more occasions, at its option, use an amount not to exceed the net cash proceeds of one or more Eligible Equity Offerings to redeem up to 35% of the aggregate principal amount of the outstanding Notes (including any Additional Notes) with the Net Cash Proceeds of one or more Eligible Equity Offerings, upon notice pursuant to Section 3.03, at a redemption price as calculated by the Company equal to 107.875% of the

principal amount of the Notes redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding the redemption date; *provided* that (1) after giving effect to any such redemption, at least 65% of the aggregate principal amount of the Notes (including any Additional Notes but excluding Notes held by the Company and its Subsidiaries) issued under this Indenture remains outstanding; and (2) the Company makes such redemption not more than 180 days after the consummation of such Eligible Equity Offering.

(c) Except pursuant to clauses (a), (b), (g) or (h) of this Section 3.07, the Notes shall not be redeemable at the Company's option prior to August 1, 2017.

(d) On and after August 1, 2017, the Company may on any one or more occasions redeem the Notes, at its option, in whole or in part, upon notice pursuant to Section 3.03 at the redemption prices as calculated by the Company (expressed as a percentage of outstanding principal amount of the Notes to be redeemed) set forth below, plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the redemption date (subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date), if redeemed during the 12-month period commencing on August 1 of the years set forth below::

Year	Percentage
2017	103.938%
2018	101.969%
2019 and thereafter	100.000%

(e) Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Sections 3.01 through 3.06.

(f) Notice of any redemption of the Notes in connection with a corporate transaction (including an Eligible Equity Offering, an Incurrence of Debt or a Change of Control Triggering Event) may, at the Company's discretion, be given prior to the completion thereof and any such redemption or notice may, at the Company's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related transaction. If such redemption or purchase is so subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, in the Company's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption or purchase may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date as so delayed. In addition, the Company may designate at its option and provide in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person; *provided* that any call for redemption by such Person be treated as if such call was made by the Company.

(g) In connection with any tender offer for the Notes, in the event that the Holders of not less than 90% of the aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in such tender offer and the Company, or a third party making such a tender offer in lieu of the Company, purchases all the Notes validly tendered and not withdrawn by such Holders, the Company or any such third party will have the right, on not less than 15 nor more than 60 days' prior notice, given not more than 30 days following the such purchase date, to redeem all of the Notes that remain outstanding following such purchase at the purchase price equal to that offered to each other Holder in such tender offer plus, to the extent not included in the tender offer payment, accrued and unpaid interest and Additional Amounts, if any, on the Notes that remain outstanding, to the date of redemption (subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date).

(h) (1) At any time, if the Company or any successor is or, on the next date on which any amount would be payable in respect of the Notes, would be required to pay Additional Amounts on the Notes, or any Guarantor or any successor is required to pay Additional Amounts on the Note Guarantees, the Company or any successor may elect to redeem the Notes, in whole but not in part, at a redemption price as calculated by the Company equal to 100% of the remaining principal amount plus accrued and unpaid interest, if any, and any Additional Amounts accrued to the fixed date of redemption. The Company or any successor will not be entitled to redeem the Notes pursuant to the previous sentence unless the Company, a Guarantor or any successor is required to pay such Additional Amounts due to a change in or amendment to the laws (or any rules or regulations thereunder) of the jurisdiction of its incorporation or any political subdivision or taxing authority thereof or therein, including a change in or amendment to an official interpretation, administration or application of such laws, rules, or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective or is announced on or after the Issue Date of the Notes or, in the event a successor which is not incorporated pursuant to the laws of Bermuda has assumed the obligations under the Notes, on or after the date a successor assumes the obligations under the Notes.

(2) In the event that the Company or any successor elects to redeem the Notes pursuant to clause (h)(1) above, it will deliver to the Trustee and the Paying Agent: (1) an Officer's Certificate, signed in the name of the Company or any successor, stating that (a) the Company or such successor is entitled to redeem the Notes pursuant to the terms of this Indenture and the Notes and certifying that the condition or conditions precedent to the right of the Company or any successor to so redeem have occurred or been satisfied and (b) the payment of Additional Amounts cannot be avoided by the relevant payor taking reasonable measures available to it; provided, however, that reasonable measures shall not include changing the payor's jurisdiction of incorporation or the location of its principal executive office or registered office; and (2) an opinion of tax counsel of nationally recognized standing in the Relevant Taxing Jurisdiction, to the effect that the Company, a Guarantor or any successor has or will become obligated to pay Additional Amounts as a result of the change or amendment described in the preceding paragraph, and that all governmental requirements necessary for the Company or any successor to effect the redemption have been complied with.

Section 3.08 Mandatory Redemption; Open Market Purchases.

The Company will not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

The Company or its Affiliates may at any time purchase Notes in the open market or otherwise at any price. Any such purchased Notes will not be resold, except in compliance with applicable requirements or exemptions under the relevant securities laws.

Section 3.09 Offers to Repurchase by Application of Excess Proceeds.

(a) In the event that, pursuant to Section 4.16, the Company is required to commence an Asset Sale Offer, the Company must, within 30 days, make such Asset Sale Offer to purchase Notes having a principal amount equal to:

(A) accumulated Excess Proceeds, multiplied by

(B) a fraction (x) the numerator of which is equal to the outstanding principal amount of the Notes and (y) the denominator of which is equal to the outstanding aggregate principal amount of the Notes and all other Parity Lien Debt that is similarly required to be

repaid, redeemed or tendered for in connection with the Asset Sale, rounded down to the nearest U.S.$1,000.

The purchase price for the Notes will be 100% of the outstanding principal amount plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase. If the Offer to Purchase is for less than all of the outstanding Notes and Notes in an aggregate principal amount in excess of the purchase amount are tendered and not withdrawn pursuant to the offer, the Company will purchase Notes having an aggregate principal amount equal to the purchase amount on a pro rata basis, with adjustments so that only Notes in multiples of U.S.$1,000 principal amount will be purchased; provided that after a purchase from a holder in part, such holder shall hold U.S.$200,000 in principal amount of notes or a multiple of U.S.$1,000 in excess thereof.

(b) The Asset Sale Offer will remain open for a period of 20 Business Days following its commencement, except to the extent that a longer period is required by applicable law (the "*Asset Sale Offer Period*"). No later than 30 Business Days after the termination of the Asset Sale Offer Period (the "*Asset Sale Purchase Date*"), the Company will apply all Excess Proceeds to the purchase of the aggregate principal amount of Notes and, if applicable, Parity Lien Debt (on a *pro rata* basis, if applicable) required to be purchased pursuant to Section 4.16 (the "*Asset Sale Offer Amount*"), or, if less than the Asset Sale Offer Amount of Notes (and, if applicable, Parity Lien Debt) has been so validly tendered, all Notes and Parity Lien Debt validly tendered in response to the Asset Sale Offer. Payment for any Notes so purchased will be made in the same manner as interest payments on the Notes are made.

(c) If the Asset Sale Purchase Date is on or after a Record Date and on or before the related Interest Payment Date, any accrued, unpaid interest and Additional Amounts, if any, up to but excluding the Asset Sale Purchase Date, shall be paid to the Person in whose name a Note is registered at the close of business on such Record Date.

(d) Upon the commencement of an Asset Sale Offer, the Company shall mail a notice to each of the Holders or otherwise deliver such

notice in accordance with the applicable procedures of the Depositary, with a copy to the Trustee. The notice shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The Asset Sale Offer shall be made to all Holders and, if required, all holders of Parity Lien Debt. The notice, which shall govern the terms of the Asset Sale Offer, shall state:

(1) that an Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.16 and the expiration time of the Asset Sale Period;

(2) the Asset Sale Offer Amount, the purchase price, including the portion thereof representing any accrued and unpaid interest, and the Asset Sale Purchase Date;

(3) that Notes must be tendered in integral multiples of $1,000 (subject to clause (8) below), and any Note not properly tendered will remain outstanding and will continue to accrue interest;

(4) that, unless the Company defaults in making the payment, any Note accepted for payment pursuant to the Asset Sale Offer will cease to accrue interest on and after the Asset Sale Purchase Date;

(5) that Holders electing to have a Note purchased pursuant to any Asset Sale Offer shall be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" attached to such Note completed, the Paying Agent specified in the notice at the

address specified in the notice prior to the close of business on the third Business Day preceding the Asset Sale Purchase Date;

(6) that Holders shall be entitled to withdraw their election if the Company, the Depositary or the Paying Agent, as the case may be, receives at the address specified in the notice, not later than the expiration of the Asset Sale Offer Period, a telegram, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Notes the Holder tendered for purchase and a statement that such Holder is withdrawing its tendered Notes and its election to have such Note purchased;

(7) that, if the aggregate principal amount of Notes and Parity Lien Debt surrendered by the holders thereof exceeds the Asset Sale Offer Amount, then the Notes and such Parity Lien Debt will be purchased on a *pro rata* basis based on the aggregate accreted value or principal amount, as applicable, of the Notes or such Parity Lien Debt tendered and the selection of the Notes for purchase shall be made as follows: (1) if the Notes are listed on any national securities exchange and the Paying Agent is notified of such listing, in compliance with the requirements of the principal national securities exchange on which the Notes are listed or (2) if such national securities exchange has no requirement governing redemptions or if the Notes are not so listed, the Depositary shall select the Notes by lot in the case of Global Notes and otherwise on a *pro rata* basis, by lot or by such other method as the Paying Agent in its sole discretion deems to be fair and appropriate, although no Note having a principal amount of $200,000 shall be purchased in part;

(8) that Holders whose Notes were purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (the unpurchased portion of the Notes must be equal to $200,000 or an integral multiple of $1,000 in excess thereof); and

(9) the other procedures, as determined by the Company, consistent with this Section 3.09 that a Holder must follow.

(e) On or before the Asset Sale Purchase Date, the Company will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary or as otherwise provided in Section 4.16(a)(5), the Asset Sale Offer Amount of Notes and Parity Lien Debt or portions thereof validly tendered and not properly withdrawn pursuant to the Asset Sale Offer, or, if less than the Asset Sale Offer Amount has been validly tendered and not properly withdrawn, all Notes and Parity Lien Debt so tendered, in the case of the Notes, in whole number multiples of $1,000; *provided* that if, following repurchase of a portion of a Note, the remaining principal amount of such Note outstanding immediately after such repurchase would be less than $200,000, then the portion of such Note so repurchased shall be reduced so that the remaining principal amount of such Note outstanding immediately after such repurchase is $200,000. The Company will deliver, or cause to be delivered, to the Trustee the Notes so accepted and an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof so accepted and that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this Section 3.09..

(f) The Trustee, the Paying Agent or the Company, as the case may be, will promptly, but in no event later than five Business Days after termination of the Asset Sale Offer Period, distribute to each tendering Holder or holder or lender of Parity Lien Debt, as the case may be, an amount equal to the purchase price of the Notes or the Parity Lien Debt so validly tendered and not properly withdrawn by such holder or lender, as the case may be, and accepted by the Company for purchase, and the Company will promptly issue a new Note, and the Trustee, upon receipt of an Authentication Order, will authenticate and mail or deliver (or cause to be transferred by book-entry) such new Note to such

Holder (it being understood that, notwithstanding anything in this Indenture to the contrary, no Opinion of Counsel or Officer's Certificate is required for the Trustee to authenticate and mail or deliver such new Note) in a principal amount equal to any unpurchased portion of the Note surrendered; *provided* that each such new Note will be in a principal amount of $200,000 or an integral multiple of $1,000 in excess thereof. Any Note not so accepted will be promptly mailed or delivered by the Company to the Holder thereof. The Company will announce the results of the Asset Sale Offer on or as soon as practicable after the Asset Sale Purchase Date.

(g) The Company will comply with Rule 14e-1 under the Exchange Act (to the extent applicable) and all other applicable laws or regulations in connection with the repurchase of Notes pursuant to an Asset Sale Offer, and the procedures related to an Asset Sale Offer contained in this Indenture will be modified as necessary to permit such compliance. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Indenture, the Company will comply with the applicable securities laws and regulations and shall not be deemed to have breached its

obligations under this Indenture by virtue thereof.

ARTICLE 4

COVENANTS

Section 4.01 Payment of Notes.

(a) The Company will pay, or cause to be paid, the principal, premium, if any, and interest on the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and interest shall be considered paid on the date due if the Paying Agent, if other than the Company or a Subsidiary, holds as of 11:00 a.m. (New York City) time, on the due date money deposited by the Company in immediately available funds and designated for and sufficient to pay the principal, premium, if any, and interest then due and the Paying Agent is not prohibited from paying such money to the Holders on that date pursuant to Article 12.

(b) The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, at the rate equal to the then applicable interest rate on the Notes to the extent lawful; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace period) at the same rate to the extent lawful.

Section 4.02 Maintenance of Office or Agency.

The Company shall maintain an office or agency (which may be an office of the Trustee or an affiliate of the Trustee, Registrar or co-registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Company and the Guarantors in respect of the Notes and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency.

The Company may also from time to time designate additional offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations. The Company shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Company hereby designates the Corporate Trust Office of the Trustee as one such office or agency of the Company with respect to the presentment or surrender of Notes in accordance with Section 2.03.

Section 4.03 Taxes.

The Company shall pay, and shall cause each of its Restricted Subsidiaries to pay, prior to delinquency, all taxes, assessments and governmental levies except (a) such as are being contested in good faith and by appropriate negotiations or proceedings or (b) where the failure to effect such payment would not have a material adverse effect (1) upon the financial condition, business or results of operations of the Company and its Restricted Subsidiaries and (2) on the ability of the Company and its Restricted Subsidiaries to perform their respective obligations under the Notes or this Indenture.

Section 4.04 Stay, Extension and Usury Laws.

The Company and each Guarantor covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company and each Guarantor (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenant that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.05 Corporate Existence.

Subject to Article 5, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect (1) its corporate existence and the corporate, partnership, limited liability company or other existence of each of its Restricted Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Restricted Subsidiary and (2) the rights (charter and statutory), licenses and franchises of the Company and its Restricted Subsidiaries; *provided* that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership, limited liability company or other existence of any of its Restricted Subsidiaries, if the Company in good faith shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Restricted Subsidiaries, taken as a whole.

Section 4.06 Reporting Requirements.

(a) Whether or not required by the SEC, so long as any Notes are outstanding, the Company will file with the SEC for public availability within the time periods specified in the SEC's rules and regulations taking into account any extension of time, deemed filing date or safe harbor contemplated or provided for by Rule 12b-25, Rule 13a-11(c), and Rule 15d-11(c) under the Exchange Act, or General Instruction I.A.3(b) of Form S-3 under the Securities Act, and successor provisions (unless the SEC will not accept such a filing, in which case the Company will furnish to the Trustee and, upon its prior request, to any Holder, within the time periods specified in the SEC's rules and regulations):

(1) all quarterly and annual financial and hydrocarbon proved reserve information with respect to the Company and its Subsidiaries that would be required to be contained in a filing with the SEC on Forms 10-Q and 10-K if the Company were required to file such Forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report on the annual financial statements by the Company's certified independent accountants; and

(2) all current reports that would be required to be filed with the SEC on Form 8-K if the Company were required to file such reports.

(b) For so long as any Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3), if at any time the Company and the Guarantors are not required to file the reports required by the preceding paragraphs with the SEC, they will furnish to the Holders and to securities analysts and prospective investors in the Notes, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act. The Company will be deemed to have provided such information to the holders of the Notes, securities analysts and prospective holders of the Notes if it has filed reports containing such information with the SEC via the EDGAR filing system and such reports are publicly available.

(c) In the event that:

(1) the rules and regulations of the SEC permit the Company and any direct or indirect parent company of the Company to report at such parent entity's level on a consolidated basis and such parent entity of the Company is not engaged in any business in any material respect other than incidental to its ownership, directly or indirectly, of the Capital Stock of the Company, or

(2) any direct or indirect parent of the Company becomes a Guarantor of the Notes,

such consolidated reporting at such parent entity's level in a manner consistent with that described in this Section 4.06 for the Company will satisfy this covenant; *provided* that, such financial information is accompanied by consolidating information that explains in reasonable detail the differences between the information relating to such direct or indirect parent and any of its Subsidiaries other than the Company and its Subsidiaries, on the one hand, and the information relating to the Company and its Subsidiaries on a stand alone basis, on the other hand.

(d) If the Company has designated any of its Subsidiaries as an Unrestricted Subsidiary and if any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, would constitute a Significant Subsidiary of the Company, then the annual and quarterly information required by Section 4.06(a)(1) shall include a presentation of selected financial metrics (in the Company's sole discretion) of such Unrestricted Subsidiaries as a group in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section.

Section 4.07 Compliance Certificate.

(a) The Company and each Guarantor will deliver to the Trustee, within 120 days after the end of each fiscal year ending after the Issue Date, a certificate from the principal executive officer, principal financial officer or principal accounting officer stating that a review of the activities of the Company and its Restricted Subsidiaries during the preceding fiscal year has been made under the supervision of the signing officer with a view to determining whether the Company and each Guarantor have kept, observed, performed and fulfilled their obligations under this Indenture, and further stating, as to such officer signing such certificate, that to the best of his or her knowledge, the Company and each Guarantor have kept, observed, performed and fulfilled each and every condition and covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions, covenants and conditions of this Indenture (or, if a Default shall have occurred, describing all such Defaults of which he or she may have knowledge and what action the Company and each Guarantor are taking or propose to take with respect thereto).

(b) When any Default has occurred and is continuing under this Indenture, or if the Trustee or the holder of any other evidence of Debt of the Company or any Subsidiary gives any notice or takes any other action with respect to a claimed Default, the Company will promptly (which shall be within ten Business Days following the date on which the Company becomes aware of such Default, receives notice of such Default or becomes aware of such action, as applicable) send to the Trustee an Officer's Certificate specifying such event, its status and what action the Company is taking or proposes to take with respect thereof.

Section 4.08 Limitation on Restricted Payments.

(a) The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly (the payments and other actions described in the following clauses being collectively "*Restricted Payments*"):

(i) declare or pay any dividend or make any distribution on its Equity Interests held by Persons other than the Company or any of its Restricted Subsidiaries, (other than (A) dividends or distributions paid in the Company's Qualified Equity Interests and (B) dividends or distributions by a Restricted Subsidiary payable, on a pro rata basis or on a basis more favorable to the Company, to all holders of any class of Capital Stock of such Restricted Subsidiary a majority of which is held, directly or indirectly, by the Company);

(ii) purchase, redeem or otherwise acquire or retire for value any Equity Interests of the Company held by Persons other than the Company or any of its Restricted Subsidiaries;

(iii) repay, redeem, repurchase, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment on or with respect to any Subordinated Debt, except (A) a payment of interest and (B) a repayment, redemption, repurchase, defeasance or acquisition or retirement in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of such repayment, redemption, repurchase, defeasance or acquisition or retirement; or

(iv) make any Investment (other than Permitted Investments);

unless, at the time of, and after giving effect to, the proposed Restricted Payment:

(1) no Default or Event of Default has occurred and is continuing;

(2) the Company could Incur at least U.S.$1.00 of Debt under the test set forth in Section 4.09(a); and

(3) the aggregate amount expended for such Restricted Payment and all other Restricted Payments made on or after the Issue Date would not, subject to Section 4.08(c), exceed the sum of:

(A) 50% of the cumulative Consolidated Net Income (or, if the Consolidated Net Income is a loss, minus 100% of the amount of the loss) of the Company beginning on the first day of the fiscal quarter in which the Issue Date occurs to the end of the most recently completed fiscal quarter for which financial statements have been provided (or if not timely provided, required to be provided) pursuant to this Indenture, plus

(B) subject to Section 4.08(b), the aggregate Net Cash Proceeds and the Fair Market Value of property received by the Company ((i) other than Net Cash Proceeds to the extent such Net Cash Proceeds have been used to Incur Debt pursuant to Section 4.09(b)(18) or (ii) other than Net Cash Proceeds and the Fair Market Value of property from a Restricted Subsidiary) after the Issue Date from

(x) the issuance and sale of its Qualified Equity Interests, or

(y) as a contribution to its common equity, plus

(C) the amount by which Debt of the Company or any of its Restricted Subsidiaries is reduced on the Company's balance sheet or the balance sheet of such Restricted Subsidiary, in each case, upon the conversion or exchange (other than by the Company or any of its Restricted Subsidiaries) subsequent to the Issue Date of any such Debt for Qualified Equity Interests of the Company (less the amount of any cash or the Fair Market Value of any other property distributed by the Company or any of its Restricted Subsidiaries upon such conversion or exchange); plus

(D) without duplication of any amount included in the calculation of Consolidated Net Income, an amount equal to the sum of (x) the aggregate amount of cash and the Fair Market Value of any asset received by the Company or any of its Restricted Subsidiaries subsequent to the Issue Date with respect to Investments (other than Permitted Investments) made after the Issue Date by the Company or any of its Restricted Subsidiaries in any Person, proceeds realized on the sale of such Investments and proceeds representing the return of capital and (y) in the event that the Company re-designates an Unrestricted Subsidiary to be a Restricted Subsidiary of the Company, the portion (proportionate to the Company's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Unrestricted Subsidiary at the time such Unrestricted Subsidiary is so re-designated; *provided, however*, that the foregoing sum shall not exceed, in the case of any such Person or Unrestricted Subsidiary, the amount of Investments (excluding Permitted Investments) previously made (and treated as a Restricted Payment) by the Company or any of its Restricted Subsidiaries in such Person or Unrestricted Subsidiary; *plus*

(E) without duplication of any amount included above under this clause, 100% of any dividends received by the Company or any of its Restricted Subsidiaries from an Unrestricted Subsidiary.

The amount expended in any Restricted Payment, if other than in cash, will be deemed to be the Fair Market Value of the relevant non-cash assets, as determined by the Company in good faith.

(b) The provisions of Section 4.08(a) will not prohibit:

(1) the payment of any dividend or distribution (including in the form of interest on shareholders' equity) within 60 days after the date of declaration thereof if, at the date of declaration, such dividend or distribution would comply with Section 4.08(a);

(2) the repayment, redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Debt owed to the Company or any of its Restricted Subsidiaries, the Incurrence of which was permitted under Section 4.09(b)(1);

(3) the repayment, redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Debt with the proceeds of, or in exchange for, Permitted Refinancing Debt;

(4) any Restricted Payment made in exchange for, or out of the proceeds of a substantially concurrent offering of, Qualified Equity Interests of the Company or of a cash contribution to the common equity of the Company not representing an interest in Disqualified Stock; *provided* that such Net Cash Proceeds shall be excluded from the calculation in clause (3)(B) of Section 4.08(a);

(5) repurchases of Equity Interests of the Company deemed to occur upon exercise of warrants, options or rights to acquire Equity Interests if such Equity Interests represent a portion of the exercise price of such warrants, options or rights or nominal cash payments (or related withholding taxes) in lieu of issuances of fractional shares;

(6) the payment of dividends, distributions or other amounts to fund the repurchase, redemption or other acquisition or retirement for value of any of the Company's Equity Interests or any Equity Interests of any of its Restricted Subsidiaries held by any then-existing or former director, officer, employee, independent contractor or consultant of the Company or any of its Restricted Subsidiaries or their respective assigns, estates or heirs; *provided, however*, that the price paid for all repurchased, redeemed, acquired or retired Equity Interests in all cases, other than as a result of death, disability or termination of employment or directorship does not exceed U.S.$10.0 million in the aggregate in any fiscal year (with unused amounts in any fiscal year being carried over to succeeding fiscal years subject to a maximum payment (without giving effect to the following proviso) of U.S.$20.0 million in any calendar year); *provided, further*, that the amounts in any fiscal year may be increased by an

amount not to exceed: (A) the cash proceeds received by the Company from the sale of Qualified Equity Interests of the Company to any present or former employees, directors, officers or consultants (or their respective permitted transferees) of the Company or any of its Restricted Subsidiaries following the Issue Date, to the extent that such cash proceeds have not otherwise been applied to the payment of Restricted Payments by virtue of clause (3) above and such Net Cash Proceeds shall be excluded from the calculation in clause (3)(B) of Section 4.08(a); *plus* (B) the cash proceeds of "key man" life insurance policies received by the Company or any of its Restricted Subsidiaries since the Issue Date;

(7) repurchases of Subordinated Debt at a purchase price not greater than (a) 101% of the principal amount or accreted value, as applicable, of such Subordinated Debt and accrued and unpaid interest thereon in the event of a Change of Control or (b) 100% of the principal amount or accreted value, as applicable, of such Subordinated Debt and accrued and unpaid interest thereon, in the event of an Asset Sale, in connection with any change of control offer or asset sale offer required by the terms of such Subordinated Debt, but only if: (i) in the case of a Change of Control, the Company has first made and consummated an Offer to Purchase and complied with and fully satisfied its obligations with respect thereto pursuant to Section 4.15; or (ii) in the case of an Asset Sale, the Company has first made and consummated an Offer to Purchase and complied with and fully satisfied its obligations with respect thereto pursuant to Section 4.16;

(8) payments of dividends on Disqualified Stock issued pursuant to Section 4.09;

(9) the defeasance, repurchase, redemption or other acquisition or retirement for value of (a) any Equity Interests of the Company or any Restricted Subsidiary of the

Company held by any current or former officers, directors or employees of the Company or any of its Restricted Subsidiaries in connection with the exercise or vesting of any equity compensation (including, without limitation, stock options, restricted stock, restricted stock units and phantom stock) in order to satisfy any tax withholding obligation with respect to such exercise or vesting or (b) to the extent otherwise constituting a Restricted Payment, any rights under any cash and/or equity-settled equity stock appreciation agreement or plan of the Company or any Restricted Subsidiary;

(10) Restricted Payments in an aggregate amount not to exceed U.S.$300.0 million;

(11) the distribution, by dividend or otherwise, of Equity Interests of, or Debt owed to the Company or a Restricted Subsidiary by Unrestricted Subsidiaries (other than Unrestricted Subsidiaries the primary assets of which are cash and/or Cash Equivalents);

(12) the purchase, repurchase, prepayment, redemption, defeasance, exchange or other acquisition or retirement of Subordinated Debt of a Restricted Subsidiary consisting of Acquired Debt (other than Debt incurred (i) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary or (ii) otherwise in connection with or in contemplation of such acquisition);

(13) Restricted Payments by the Company and its Restricted Subsidiaries pursuant to the Permitted Intercompany Activities;

(14) the declaration and payment of dividends on the Company's Capital Stock, in an amount not to exceed a sum of (A) up to 6% per annum of amount of Net Cash Proceeds received by or contributed to the Company in or from any Eligible Equity Offering, other than offerings with respect to the Company's Equity Interests registered on Form S-4 or Form S-8; and (B) an aggregate amount per annum not to exceed 5.0% of Market Capitalization, if, after giving pro forma effect to the payment of any such Restricted Payment, the Consolidated Total Debt Ratio is less than 2.00 to 1.00;

(15) the purchase, repurchase, exchange or other acquisition or retirement of Equity Interests of the Company in an aggregate amount not to exceed U.S.$150.0 million; and

(16) (i) the declaration and payment of dividends on the Company's Capital Stock in an amount not to exceed 50% of the Net Cash Proceeds from the sale of an Oil and Gas Property at any time and from time to time, if, after giving pro forma effect to the payment of any such Restricted Payment, the Consolidated Total Debt Ratio is less than 2.00 to 1.00, (ii) the declaration and payment of dividends on the Company's Capital Stock in an amount not to exceed the Net Cash Proceeds from the sale of the Equity Interests or any of the property or assets of a Restricted Subsidiary that is not a Guarantor, or (iii) the distribution, by dividend or otherwise, of Equity Interests of a Restricted Subsidiary that is not a Guarantor; *provided* that in the case of clauses (ii) and (iii), after giving pro forma effect to the payment of any such Restricted Payment, the Consolidated Total Debt Ratio is less than 3.50 to 1.00;

provided, further, that, in the case of clauses (2), (8) and (10), no Default or Event of Default has occurred and is continuing or would occur as a result thereof.

(c) In determining the aggregate amount of Restricted Payments made subsequent to the Issue Date, only amounts expended pursuant to clauses (1), (6), (7) and (14) of Section 4.08(b) will be

included in such calculation under paragraph (a). In addition, for purposes of determining compliance with this Section 4.08, (i) in the event that a Restricted Payment meets the criteria of more than one of the categories of Restricted Payments described in the preceding clauses (1) through (16) of Section 4.08(b) above, the Company will be permitted to divide or classify (or later divide, classify or reclassify in whole or in part in its sole discretion) such Restricted Payment at the time of its payment in any manner that complies with Section 4.08 or to later reclassify all or a portion of such Restricted Payment, and (ii) in the event that a Permitted Investment meets the criteria of more than one of the categories of Permitted Investment described in clauses (1) through (28) of the definition thereof, the Company will be permitted to divide or classify (or later divide, classify or reclassify in whole or in part in its sole discretion) such Permitted Investment at the time of its payment in any manner that complies with Section 4.08 or to later reclassify all or a portion of such Permitted Investment.

Section 4.09 Limitation on Debt.

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, Incur any Debt; *provided* that the Company or any of its Restricted Subsidiaries may Incur Debt if, on the date of the Incurrence, after giving pro forma effect to the Incurrence and the receipt and the application of the proceeds therefrom, the Fixed Charge Coverage Ratio is not less than 2.25 to 1.0; and *provided*, *further*, that the amount of Debt Incurred pursuant to this paragraph by Restricted Subsidiaries that are not Guarantors shall not exceed in an aggregate principal amount at any one time outstanding the greater of (i) U.S. $50.0 million and (ii) 2.5% of Adjusted Consolidated Net Tangible Assets.

(b) Notwithstanding the foregoing, the Company and, to the extent provided below, any Restricted Subsidiary may Incur the following ("*Permitted Debt*"):

(1) Debt of the Company or a Restricted Subsidiary so long as such Debt is owed to the Company or a Restricted Subsidiary and which, if the obligor is the Company or a Guarantor, is subordinated in right of payment to the Notes or the Note Guarantees, as applicable; *provided, however*, that if such Debt is owed to a Restricted Subsidiary that is not a Guarantor such Debt shall be unsecured and subordinated in right of payment to the Notes;

(2) Debt of the Company pursuant to the Notes (other than any Additional Notes) and Debt of the Guarantors pursuant to the Note Guarantees (other than with respect to any Additional Notes);

(3) Debt of the Company or a Restricted Subsidiary ("*Permitted Refinancing Debt*") constituting an extension or renewal of, replacement of, or substitution for, or issued in exchange for, or the net proceeds of which are used to repay, redeem, repurchase, refinance or refund, including by way of defeasance (all of the above, for purposes of this clause, "refinance") then outstanding Debt in an amount not to exceed the principal amount of the Debt so refinanced, plus premiums (including tender premiums), discounts, fees and other costs and expenses (including original issue discount, upfront fees or similar fees); *provided* that:

(A) in case the Debt to be refinanced is subordinated in right of payment to the Notes or a Note Guarantee, the new Debt, by its terms or by the terms of any agreement or instrument pursuant to which it is outstanding, is expressly made subordinate in right of payment to the Notes or such Note Guarantee at least to the extent that the Debt to be refinanced is subordinated to the Notes or such Note Guarantee,

(B) the new Debt does not have a Stated Maturity prior to (i) the Stated Maturity of the Debt to be refinanced, and the Average Life of the new Debt is at least equal to the remaining Average Life of the Debt to be refinanced or (ii) the 91st day after

the Stated Maturity of the Notes and does not have any scheduled principal payments prior to such date;

(C) in no event may Debt of the Company or any Guarantor be refinanced pursuant to this clause by means of any Debt of any Restricted Subsidiary that is not a Guarantor; and

(D) Debt Incurred pursuant to clauses (1), (4), (5), (8), (9), (10), (11), (12), (13), (14), (15), (16), (17), (18) and (20) may not be refinanced pursuant to this clause;

(4) Debt under Hedging Agreements of the Company or any Restricted Subsidiary entered into in the ordinary course of business or directly related to Debt permitted to be Incurred by the Company or any Restricted Subsidiary pursuant to this Indenture, and in each case not for speculative purposes;

(5) Debt of the Company or any Restricted Subsidiary in respect of performance bonds, customs, reimbursement obligations, letters of credit, bankers' acceptances, deposits, promissory notes, self-insurance obligations, completion guarantees and bid, surety or appeal bonds provided in the ordinary course of business;

(6) (i) Debt of the Company or any Restricted Subsidiary Incurred to finance an acquisition (or other purchase of assets), or (ii) Acquired Debt of the Company or any Restricted Subsidiary; *provided, however*, in the case of clauses (i) or (ii), that after giving effect to the Incurrence of such Debt pursuant to this clause, either (A) the Company or such Restricted Subsidiary would have been able to Incur U.S.$1.00 of additional Debt pursuant to the test set forth in Section 4.09(a); or (B) would not have a lower ratio set forth in Section 4.09(a) immediately after such Incurrence;

(7) Debt of the Company or any Restricted Subsidiary outstanding on the Issue Date (other than Debt outstanding under the Facility, the Corporate Revolver or the LC Facility);

(8) Debt represented by guarantees of pension fund obligations of the Company or any Restricted Subsidiary required by law or regulation;

(9) Debt of the Company or any Restricted Subsidiary Incurred through the provision of bonds, guarantees, letters of credit or similar instruments required by any maritime commission or authority or other governmental or regulatory agencies, including, without limitation, customs authorities; in each case, for vessels owned or chartered by, and in the ordinary course of business of, the Company or any of its Restricted Subsidiaries at any time outstanding not to exceed the amount required by such governmental or regulatory authority;

(10) Debt of any cash pooling or other cash management agreements of the Company or any Restricted Subsidiary in place with a bank or financial institution but only to the extent of offsetting credit balances of the Company or any of its Restricted Subsidiaries pursuant to such cash pooling or other cash management;

(11) Debt of the Company or any Restricted Subsidiary to the extent that the net proceeds thereof are promptly deposited to defease or to satisfy and discharge the Notes in accordance with this Indenture;

(12) Debt of the Company or any of its Restricted Subsidiaries for taxes levied, assessments due and other governmental charges required to be paid as a matter of law or regulation in the ordinary course of business;

(13) Guarantees by the Company or any Guarantor of Debt permitted to be Incurred pursuant to this Section 4.09; *provided* that if such Debt is subordinated in right of payment to the Notes or a Note Guarantee, any such guarantee with respect to such Debt shall be subordinated in right of payment to the Notes and such Note Guarantee; *provided, further*, that if such guarantee shall be of Project Finance Debt Incurred pursuant to Section 4.09(b)(19) herein, after giving effect to the Incurrence of such Debt and the provision of such guarantee pursuant to such clause, the Company would have been able to Incur U.S.$1.00 of additional Debt pursuant to the test set forth in Section 4.09(a);

(14) Debt of the Company or any Restricted Subsidiary in respect of (i) self-insurance obligations or captive insurance companies or consisting of the financing of insurance premiums or (ii) take-or-pay obligations contained in supply agreements in the ordinary course of business;

(15) Debt of the Company or any Restricted Subsidiary under one or more Credit Facilities, lines of credit or working capital facilities (and any refinancing thereof); *provided, however*, that the aggregate principal amount of such Debt does not exceed at any one time outstanding the greater of (i) U.S.$2.5 billion and (ii) 35.0% of Adjusted Consolidated Net Tangible Assets;

(16) Debt of the Company or any Restricted Subsidiary with respect to reimbursement type obligations regarding worker's compensation claims and Debt and other obligations in respect of deferred compensation of employees Incurred in the ordinary course of business;

(17) Debt of the Company or any Restricted Subsidiary in the form of customer deposits and advance payments received in the ordinary course of business from customers for purchases in the ordinary course of business;

(18) Debt of the Company or any Restricted Subsidiary (and any refinancing thereof) not otherwise permitted hereunder in an aggregate principal amount equal to the aggregate Net Cash Proceeds received by the Company (other than from a Subsidiary of the Company) after the Issue Date from (i) the issuance and/or sale of its Qualified Equity Interests or (ii) as a contribution to its common equity to the extent that such Net Cash Proceeds received from such issuance, sale or contribution have not been applied to make Restricted Payments pursuant to clause (3)(B) of Section 4.08(a) or paragraph Section 4.08(b)(4);

(19) Project Finance Debt of any Restricted Subsidiary;

(20) Debt of the Company or a Restricted Subsidiary not otherwise permitted hereunder; *provided, however*, that the aggregate principal amount of such Debt, and any refinancing thereof, does not exceed in an aggregate principal amount at any one time outstanding the greater of (i) U.S.$250.0 million or (ii) 3.25% of Adjusted Consolidated Net Tangible Assets; and

(21) Debt of the Company or a Restricted Subsidiary consisting of Capitalized Lease Obligations and Purchase Money Obligations; *provided, however*, that the aggregate principal amount of such Debt, and any refinancing thereof, does not exceed in an aggregate

principal amount at any one time outstanding the greater of (i) $150.0 million and (ii) 3.0% of Adjusted Consolidated Net Tangible Assets; *provided, further*, that such Debt exists at the date of such purchase, lease or improvement, or is created within 365 days thereafter (for the avoidance of doubt, the purchase date for any asset shall be the later of the date of completion of construction or installation and the beginning of the full productive use of such asset).

(c) Notwithstanding anything to the contrary in this Section 4.09, the maximum amount of Debt that the Company and its Restricted Subsidiaries may Incur pursuant to this Section 4.09 shall not be deemed to be exceeded, with respect to any outstanding Debt, solely as a result of fluctuations in the exchange rate of currencies.

(d) For purposes of determining compliance with this Section 4.09, in the event that any proposed Debt meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (21) of Section 4.09(b), or is entitled to be Incurred pursuant to Section 4.09(a), the Company and its Restricted Subsidiaries will be permitted to classify such item of Debt at the time of its Incurrence in any manner that complies with this Section 4.09 or to later reclassify all or a portion of such item of Debt. Any Permitted Refinancing Debt and any Debt permitted to be Incurred under this Indenture to refinance Debt Incurred pursuant to clauses (2), (3), (4), (6), (7), (15), (18), (19), (20) and (21) of Section 4.09(b) shall be deemed to include additional Debt Incurred to pay premiums (including tender premiums), discounts, fees and other costs and expenses (including original issue discount, upfront fees or similar fees) in connection with such refinancing.

(e) The Company may not Incur any Debt that is subordinate in right of payment to other Debt of the Company unless such Debt is also subordinate in right of payment to the Notes or the relevant guarantee on substantially identical terms; *provided, however*, that no Debt will be deemed to be subordinated in right of payment to any other Debt of the Company solely by virtue of being unsecured, by virtue of being secured with different collateral or by virtue of being secured on a junior priority basis or by virtue of the applicability of waterfall or other payment ordering provisions affecting different tranches of Debt.

(f) The accrual of interest, the accretion or amortization of original issue discount, the payment of regularly scheduled interest in the form of additional Debt of the same instrument or the payment of regularly scheduled dividends on Disqualified Stock in the form of additional Disqualified Stock with the same terms will not be deemed to be an Incurrence of Debt for purposes of this Section 4.09; *provided* that any such outstanding additional

Debt paid in respect of Debt Incurred pursuant to any provision of clause (b) above will be counted as Debt outstanding for purposes of any future Incurrence of Debt pursuant to Section 4.09(a).

(g) For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Debt, the U.S. dollar-equivalent principal amount of Debt denominated in a non-U.S. currency will be calculated based on the relevant currency exchange rate in effect on the date such Debt was Incurred or, in the case of revolving credit Debt, first committed; *provided* that if such Debt is Incurred to refinance other Debt denominated in a non-U.S. currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction will be deemed not to have been exceeded so long as the principal amount of such Permitted Refinancing Debt does not exceed the principal amount of such Debt being refinanced. The principal amount of any Debt Incurred to refinance other Debt, if Incurred in a different currency from the Debt being refinanced, will be calculated based on the currency exchange rate applicable to the currencies in which such Permitted Refinancing Debt is denominated that is in effect on the date of such refinancing.

(h) Upon written request and the receipt of an Officer's Certificate and Opinion of Counsel to the effect that the amendment or supplement is authorized or permitted under this Indenture and the Security Documents and that all conditions precedent thereto have been satisfied, to the extent it is necessary to amend or supplement the Security Documents to provide for any Incurrence of Debt permitted by this Indenture, the Trustee is hereby expressly authorized and directed to enter any such amendments or supplements on behalf of the Holders.

Section 4.10 Limitation on Liens.

(a) The Company will not, and will not permit any Restricted Subsidiary to, create or suffer to exist any Lien upon (i) the Collateral other than Parity Liens or Permitted Collateral Liens or (ii) any of its other property or assets that do not constitute Collateral (including, without limitation, any Capital Stock of any Restricted Subsidiary (other than Kosmos Energy Holdings) held by the Company or a Restricted Subsidiary), in each case, whether now owned or hereafter acquired by it, and in each case securing any Debt unless, solely with respect to property or assets referred to in clause (ii), contemporaneously therewith effective provision is made to secure the Notes equally and ratably with such Debt for so long as such Debt is so secured.

(b) Section 4.10(a) will not apply to Liens (other than on Collateral) consisting of the following ("*Permitted Liens*"):

(1) any Lien in existence on the Issue Date (other than Liens securing Debt under the Facility, the Corporate Revolver and the LC Facility) and any extension, renewal or replacement thereof or of any Lien in clause (7) below; *provided, however*, that the total amount of Debt so secured is not increased as a result thereof plus any fees and expenses in connection with such extension, renewal or replacement and the Lien shall be limited to all or part of the same property that secured the original Lien (together with improvements and accessions to such property);

(2) Liens securing Debt owed by any Restricted Subsidiary of the Company solely to the Company or one or more Restricted Subsidiaries and/or by the Company to one or more such Restricted Subsidiaries;

(3) Liens securing obligations under or with respect to Debt Incurred pursuant to clauses (3), (6), (13), (15), (18), (19), (20) or (21) of Section 4.09(b); *provided* that (a) Liens securing obligations relating to any Debt permitted to be Incurred pursuant to clause (21) extend only to the assets so purchased, leased or improved, (b) Liens securing obligations relating to any Debt permitted to be Incurred pursuant to clause (3) relate only to obligations relating to Permitted Refinancing Debt that (x) is secured by Liens on the same assets as the assets securing the Permitted Refinancing Debt or (y) extends, replaces, refunds, refinances, renews or defeases Debt Incurred issued under clauses (2), (3), (6), (7), (18), (19) or (21) of Section 4.09(b), (c) Liens securing Debt permitted to be Incurred pursuant to clause (6) shall only be permitted if such Liens are limited to all or part of the same property or assets, including Equity Interests (plus improvements, accessions, proceeds or dividends or distributions in respect thereof, or replacements of any thereof) acquired, or of any Person acquired or merged or consolidated with or into the Company or any Restricted Subsidiary, in any transaction to which such Debt relates and (d) Liens securing obligations relating to any Guarantees Incurred pursuant to clause (13) are also permitted to be Incurred on the Debt referred to in such clause;

(4) Liens or deposits to secure judgments, in each case not giving rise to an Event of Default, so long as any appropriate legal proceedings which may have been duly

initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(5) Liens encumbering goods and documents of title with respect to such goods and arising in the ordinary course of business in connection with the issue of documentary letters of credit, and Liens arising out of title retention provisions in a supplier's standard condition of supply of goods acquired in the ordinary course of business;

(6) [Reserved];

(7) any Lien existing on any property or assets of any Person before that Person's acquisition (in whole or in part) by, merger or amalgamation into or consolidation with the Company or any Restricted Subsidiary after the Issue Date; *provided* that the Lien is not created in contemplation of or in connection with such acquisition, merger, amalgamation or consolidation;

(8) any Lien imposed by law that was Incurred in the ordinary course of business, including, without limitation, carriers', warehousemen's and mechanics' liens and other similar encumbrances arising in the ordinary course of business, in each case for sums that are not more than 60 days past due or are being contested in good faith by appropriate proceedings;

(9) pledges or deposits in connection with workers' compensation laws, unemployment insurance laws or similar legislation, or good faith deposits, letters of credit and performance, bid, surety, appeal or similar bonds in connection with bids, tenders, contracts (other than for the payment of Debt) or leases to which the Company or any of its Restricted Subsidiaries is a party, or deposits for the payment of rent, or deposits to secure public or statutory obligations or for contested taxes or import or customs duties, in each case Incurred in the ordinary course of business;

(10) any Lien in favor of issuers of surety bonds or letters of credit issued pursuant to the request of and for the account of the Company or any Subsidiary in the ordinary course of business;

(11) any Lien securing taxes, assessments and other governmental charges, the payment of which are not more than 60 days past due or are being contested in good faith by appropriate proceedings and for which reserves or other appropriate provisions, if any, have been established as required by U.S. GAAP;

(12) minor defects, easements, rights-of-way, restrictions and other similar encumbrances Incurred in the ordinary course of business and encumbrances consisting of municipal or zoning restrictions, licenses, restrictions on the use of property or assets or minor imperfections in title that do not materially impair the value or use of the property or assets affected thereby, and any leases and subleases of real property that do not interfere with the ordinary conduct of the business of the Company or any Subsidiary, and which are made on customary and usual terms applicable to similar properties;

(13) any rights of set-off, netting or similar rights and remedies of any Person with respect to any deposit account of the Company or any Subsidiary arising in the ordinary course of business;

(14) any Lien securing Hedging Agreements so long as such Hedging Agreements are entered into for bona fide, non-speculative purposes;

(15) any Lien on the Capital Stock of an Unrestricted Subsidiary;

(16) any Lien in respect of Production Payments and Reserve Sales;

(17) any Lien on pipelines and pipeline facilities that arise by operation of law;

(18) any Lien arising under joint venture agreements, partnership agreements, oil and gas leases or subleases, assignments, purchase and sale agreements, division orders, contracts for the sale, purchasing, processing, transportation or exchange of oil or natural gas, unitization and pooling declarations and agreements, development agreements, technical evaluation agreements, area of mutual interest agreements, rights of first refusal, rights of first offer, licenses, sublicenses, net profits interests, participation agreements, Farm-Out Agreements, Farm-In Agreements, carried working interest, joint operating, unitization, royalty, sales and similar agreements or arrangements relating to the exploration or development of, or production from, Oil and Gas Properties entered into in the ordinary course of business in a Permitted Business;

(19) any Lien reserved in oil and gas mineral leases or licenses for bonus (including, without limitation, social bonus), royalty or rental payments and for compliance with the terms of such leases or licenses;

(20) any Lien on, or related to, properties or assets to secure all or part of the costs Incurred in the ordinary course of a Permitted Business for exploration, drilling, development, production, processing, transportation, marketing, storage, abandonment or operation;

(21) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases entered into by the Company and its Restricted Subsidiaries in the ordinary course of business;

(22) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Company and its Restricted Subsidiaries, taken as a whole;

(23) Liens arising under this Indenture in favor of the Trustee for its own benefit and similar Liens in favor of other trustees, agents and representatives arising under instruments governing Debt permitted to be Incurred under this Indenture; *provided, however*, that such Liens are solely for the benefit of the trustees, agents or representatives in their capacities as such and not for the benefit of the holders of such Debt;

(24) Liens arising from the deposit of funds or securities in trust for the purpose of decreasing or defeasing Debt so long as such deposit of funds or securities and such decreasing or defeasing of Debt are permitted under Section 4.08;

(25) Liens arising from royalties, overriding royalties, revenue interests, net revenue interests, net profit interests, reversionary interests, production payments, preferential rights of purchase, working interests and other similar interests, all as ordinarily exist with

respect to properties and assets of the Company and its Restricted Subsidiaries or otherwise as are customary in the oil and gas industry;

(26) Liens securing obligations under or with respect to Debt Incurred by Restricted Subsidiaries that are not Guarantors pursuant to Section 4.09(a) and

(27) Liens securing obligations in an aggregate principal amount outstanding which does not exceed the greater of (i) $100.0

million and (ii) 1.25% of Adjusted Consolidated Net Tangible Assets (in each case, determined as of the date of such Incurrence).

(c) Upon written request and the receipt of an Officer's Certificate and Opinion of Counsel to the effect that the amendment or supplement is authorized or permitted under this Indenture and the Security Documents and that all conditions precedent thereto have been satisfied, to the extent it is necessary to amend or supplement the Security Documents to provide for any Lien permitted by this Indenture, the Trustee is hereby expressly authorized and directed to enter any such amendments or supplements on behalf of the Holders.

Section 4.11 Limitation on Guarantees of Debt by Restricted Subsidiaries

(a) The Company will not permit any of its Restricted Subsidiaries that is not a Guarantor to guarantee the payment of any Debt of the Company or any Guarantor (other than Debt Incurred by any Guarantor as primary obligor under Section 4.09(b)(15) (and in each case any refinancings thereof)) in an aggregate principal amount at any one time outstanding in excess of the greater of (i) U.S. $50.0 million and (ii) 2.5% of Adjusted Consolidated Net Tangible Assets, unless:

(1) such Restricted Subsidiary simultaneously executes and delivers an accession deed to the Deed of Guarantee or a supplemental indenture to this Indenture in substantially the form of Exhibit C hereto, as the case may be, providing for a guarantee of payment of the Company's obligations under this Indenture and the Notes by such Restricted Subsidiary on similar terms as the guarantee of the Debt that resulted in the creation of such Note Guarantee; except that if such Debt is by its express terms subordinated in right of payment to the Notes, any such guarantee of such Restricted Subsidiary with respect to such Debt will be subordinated in right of payment to such Restricted Subsidiary's guarantee with respect to the Notes substantially to the same extent as such Debt is subordinated to the Notes; and

(2) such Restricted Subsidiary will deliver to the Security and Intercreditor Agent, the Trustee and the Paying Agent an Opinion of Counsel to the effect that:

(A) such accession deed or supplemental indenture and guarantee, as the case may be, have been duly executed and authorized; and

(B) such Note Guarantee constitutes a valid, binding and enforceable obligation of such Restricted Subsidiary (subject to customary exceptions and limitations), except insofar as enforcement thereof may be limited by bankruptcy, insolvency or similar laws (including, without limitation, all laws relating to fraudulent transfers) and except insofar as enforcement thereof is subject to general principles of equity.

(b) Upon written request and the receipt of an Officer's Certificate and Opinion of Counsel to the effect that the amendment or supplement is authorized or permitted under this Indenture and the Security Documents and that all conditions precedent thereto have been satisfied, to the extent it is necessary to amend or supplement the Security Documents to provide for any guarantee of Debt

(including, without limitation, a Note Guarantee) permitted by this Indenture, the Trustee is hereby expressly authorized and directed to enter any such amendments or supplements on behalf of the Holders.

Section 4.12 Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries.

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to the Company or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any Debt owed to the Company or any of its Restricted Subsidiaries;

(2) make loans or advances to the Company or any of its Restricted Subsidiaries; or

(3) sell, lease or transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries.

(b) The foregoing Section 4.12(a) will not apply to encumbrances or restrictions existing under or by reason of:

(1) the Facility, the Corporate Revolver and the LC Facility and other agreements governing existing Debt and Credit Facilities, in each case as in effect on the Issue Date and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided* that the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of existing Debt are not, in the good faith judgment of the Company, materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date;

(2) this Indenture, the Notes, the Note Guarantees and the Security Documents;

(3) agreements governing Debt permitted to be Incurred pursuant to Section 4.09 and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided* (A) that the encumbrances and restrictions are not materially more disadvantageous to the holders of the Notes than is customary in comparable financings (as determined in the good faith judgment of the Company) and (B) either (x) the Company determines that such encumbrance or restriction will not adversely affect the Company's ability to make principal and interest payments on the notes as and when they come due or (y) such encumbrances and restrictions apply only during the continuance of a default in respect of a payment or financial maintenance covenant relating to such Debt;

(4) applicable law, rule, regulation or order;

(5) any instrument or agreement governing Debt or Capital Stock of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Debt or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable

to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; *provided* that in the case of Debt, such Debt was permitted by the terms of this Indenture to be Incurred;

(6) customary non-assignment provisions in contracts and licenses entered into in the ordinary course of business;

(7) in the case of Section 4.12(a)(3), any encumbrance or restriction:

(A) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease (including leases governing leasehold interests or farm-in agreements or farm-out agreements relating to leasehold interests in Oil and Gas Properties), license or similar contract, or the assignment or transfer of any such lease (including leases governing leasehold interests or farm-in agreements or farm-out agreements relating to leasehold interests in Oil and Gas Properties), license (including, without limitation, licenses of intellectual property) or other contract;

(B) contained in mortgages, pledges or other security agreements permitted under an indenture securing Debt of the Company or a Restricted Subsidiary to the extent such encumbrances or restrictions restrict the transfer of the property subject to such mortgages, pledges or other security agreements;

(C) contained in any agreement creating Hedging Obligations permitted from time to time under this Indenture;

(D) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary; or

(E) restrictions on cash or other deposits imposed by customers under contracts entered into in the ordinary course of business;

(8) provisions with respect to the disposition or distribution of assets or property in operating agreements, joint venture agreements, development agreements, area of mutual interest agreements and other agreements that are customary in the Oil and Gas Business and entered into in the ordinary course of business, which provisions apply only to the assets that are the subject of such agreements;

(9) Purchase Money Obligations for property acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in Section 4.12(a)(3);

(10) any agreement for the sale or other disposition of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition;

(11) Permitted Refinancing Debt; *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Debt are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Debt being refinanced;

(12) Liens permitted to be incurred pursuant to Section 4.10;

(13) Project Finance Debt; and

(14) any agreement or instrument governing a Permitted Investment.

Section 4.13 Limitation on Designation of Unrestricted Subsidiaries.

(a) The Company may designate after the Issue Date any Subsidiary of the Company, other than Kosmos Energy Holdings, as an "Unrestricted Subsidiary" under this Indenture (a "*Designation*") only if:

(1) no Default or Event of Default has occurred and is continuing at the time of or after giving effect to such Designation;

(2) any transactions between the Company or any of its Restricted Subsidiaries and such Unrestricted Subsidiary are, and after giving effect to such Designation will be, in compliance with Section 4.14;

(3) such Subsidiary has no Debt other than Non-Recourse Debt; and

(4) the Company would be permitted to make an Investment in an Unrestricted Subsidiary at the time of Designation (assuming the effectiveness of such Designation and treating such Designation as an Investment in an Unrestricted Subsidiary at the time of Designation) as a Restricted Payment pursuant to Section 4.08(a) in an amount equal to the amount of the Company's Investment in such Subsidiary on such date.

(b) The Company may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary (a "*Revocation*") only if:

(1) no Event of Default has occurred and is continuing at the time of and after giving effect to such Revocation; and

(2) all Debt and Liens of such Unrestricted Subsidiary outstanding immediately following such Revocation would, if Incurred at such time, have been permitted to be Incurred for all purposes of this Indenture.

(c) The Designation of a Subsidiary of the Company as an Unrestricted Subsidiary will be deemed to include the Designation of all of the Subsidiaries of such Subsidiary. All Designations and Revocations must be evidenced by a resolution of the Board of Directors of the Company and an Officer's Certificate delivered to the Trustee certifying compliance with the preceding provisions.

Section 4.14 Limitation on Transactions with Affiliates.

(a) The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into, renew or extend any transaction or arrangement including the purchase, sale, lease or exchange of property or assets, or the rendering of any service with any Affiliate of the Company involving aggregate payments or consideration in excess of U.S.$20.0 million (a "*Related Party Transaction*"), except upon fair and reasonable terms no less favorable to the Company or the Restricted Subsidiary than could be obtained in a comparable arm's length transaction with a Person that is not an Affiliate of the Company.

(b) In any Related Party Transaction or series of Related Party Transactions with an aggregate value in excess of U.S.$50.0 million (or the equivalent thereof at the time of determination), a majority of the Board of Directors (including a majority of the disinterested members thereof, but only to

the extent there are disinterested members with respect to such Related Party Transaction) must first approve (such approval to be set forth in an Officer's Certificate delivered to the Trustee) such transaction or series of related transactions and determine that such transaction or series of related transactions are on fair and reasonable terms no less favorable to the Company or such Restricted Subsidiary than could be obtained in a comparable arm's length transaction and is otherwise compliant with the terms of this Indenture.

(c) Section 4.14(a) and (b) do not apply to:

(1) any transaction or arrangement between the Company and any Restricted Subsidiary or between or among Restricted Subsidiaries;

(2) the payment of reasonable and customary regular fees to directors of the Company who are not employees of the Company;

(3) Permitted Investments and any Restricted Payments that do not violate Section 4.08;

(4) transactions permitted by and complying with Section 5.01;

(5) any issuance or sale of Equity Interests (other than Disqualified Stock) of the Company;

(6) transactions or payments (including loans, advances, grants of securities, stock options, reimbursement of out-of-pocket expenses and similar rights) pursuant to any employee, officer or director compensation or benefit plans, customary indemnifications, insurance or arrangements entered into in the ordinary course of business;

(7) transactions pursuant to agreements in effect on the Issue Date and described in the Offering Memorandum, as amended, modified or replaced from time to time so long as the amended, modified or new agreements, taken as a whole, are no less favorable to the Company and its Restricted Subsidiaries than those in effect on the Issue Date;

(8) transactions with joint venture partners, customers, clients, suppliers or purchasers or sellers of goods or services, or lessors or lessees of property (i) in effect on the Issue Date, as amended, modified or replaced from time to time and (ii) as may be entered into after the Issue Date; *provided* that the amendment, modification, replacement or new arrangement, taken as a whole, is in the ordinary course of business or customary in the oil and gas industry and otherwise in compliance with the terms of this Indenture and similar to those contained in similar contracts entered into by the Company or any Restricted Subsidiary and third parties, or if neither the Company nor any Restricted Subsidiary has entered into a similar contract with a third party, which are, in the aggregate (taking into account all the costs and benefits associated with such transactions), not materially less favorable to the Company and its Restricted Subsidiaries than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person, in the good faith determination of the Company's Board of Directors or any executive officer of the Company involved in or otherwise familiar with such transaction;

(9) any transaction in which the Company or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee an opinion from an accounting, appraisal or investment banking firm of national standing stating that such transaction is fair to

the Company or such Restricted Subsidiary from a financial point of view or that such transaction meets the requirements of Section 4.14(a); and

(10) (a) guarantees by the Company or any of its Restricted Subsidiaries of performance of obligations of the Company's Unrestricted Subsidiaries in the ordinary course of business or which is customary in the oil and gas industry and (b) pledges by the Company or any Restricted Subsidiary of the Company of, or grantings of mortgages by the Company or any Restricted Subsidiary of the Company over, Equity

Interests in Unrestricted Subsidiaries for the benefit of lenders or other creditors of the Company's Unrestricted Subsidiaries.

Section 4.15 Offer to Repurchase Upon Change of Control Triggering Event.

(a) If a Change of Control Triggering Event occurs, unless the Company has exercised its right to redeem all of the Notes pursuant to Sections 3.03 and 3.07, the Company will make an offer to purchase all of the Notes (the "*Change of Control Offer*") at a purchase price in cash equal to 101% of the principal amount of the Notes plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding the date of purchase (the "*Change of Control Payment*"), subject to the right of Holders of record on a Record Date to receive any interest due on the Change of Control Payment Date. Within 15 days following any Change of Control Triggering Event, unless the Company has exercised its right to redeem all of the Notes pursuant to Sections 3.03 and 3.07, the Company will mail a notice of such Change of Control Offer to each Holder or otherwise deliver notice in accordance with the applicable procedures of the Depositary, with a copy to the Trustee, stating:

(1) that a Change of Control Offer is being made pursuant to this Section 4.15, the expiration time for such Change of Control Offer (which shall be no earlier than 15 days nor later than 60 days from the date such notice is mailed or otherwise delivered in accordance with the applicable procedures of the Depositary) and that all Notes properly tendered pursuant to such Change of Control Offer will be accepted for purchase by the Company at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of Holders of record on the applicable Record Date to receive interest due on the Change of Control Payment Date);

(2) the purchase date (which shall be no later than five Business Days after the date such Change of Control Offer expires) (the "*Change of Control Payment Date*");

(3) that Notes must be tendered in integral multiples of $1,000, and any Note not properly tendered will remain outstanding and continue to accrue interest (subject to clause (7) below);

(4) that, unless the Company defaults in the payment of the Change of Control Payment, any Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on and after the Change of Control Payment Date;

(5) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender such Notes, with the form entitled "Option of Holder to Elect Purchase" attached to such Notes completed, to the Paying Agent specified in the notice at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(6) that Holders shall be entitled to withdraw their tendered Notes and their election to require the Company to purchase such Notes; *provided* that the Paying Agent receives at the address specified in the notice, not later than the expiration time of such Change of Control Offer,

a telegram, facsimile transmission or letter setting forth the name of the Holder of the Notes, the principal amount of Notes tendered for purchase and a statement that such Holder is withdrawing its tendered Notes and its election to have such Notes purchased;

(7) that, if a Holder is tendering less than all of its Notes, such Holder will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (the unpurchased portion of the Notes must be equal to $200,000 or an integral multiple of $1,000 in excess thereof); and

(8) the other procedures, as determined by the Company, consistent with this Section 4.15 that a Holder must follow.

The notice, if mailed or otherwise delivered in a manner herein provided, shall be conclusively presumed to have been given, whether or not the Holder receives such notice. If (A) the notice is mailed in a manner herein provided and (B) any Holder fails to receive such notice or a Holder receives such notice but it is defective, such Holder's failure to receive such notice or such defect shall not affect the validity of the proceedings for the purchase of the Notes as to all other Holders that properly received such notice without defect.

(b) On the Change of Control Payment Date, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes (in integral multiples of $1,000) properly tendered pursuant to the Change of Control Offer; *provided* that if, following repurchase of a portion of a Note, the remaining principal amount of such Note outstanding immediately after such repurchase would be less than $200,000, then the portion of such Note so repurchased shall be reduced so that the remaining principal amount of such Note outstanding immediately after such repurchase is $200,000;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes so tendered; and

(3) deliver or cause to be delivered to the Trustee for cancellation the Notes so accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Company in accordance with this Section 4.15.

(c) The Paying Agent will promptly mail (or otherwise deliver in accordance with the applicable procedures of the Depositary) to each Holder of Notes so tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or otherwise deliver in accordance with the applicable procedures of the Depositary) (or make appropriate adjustments to the amount and beneficial interests in any Global Note) to each Holder a new Note (it being understood that, notwithstanding anything in this Indenture to the contrary, no Opinion of Counsel or Officer's Certificate will be required for the Trustee to authenticate and mail or deliver such new Note) equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in a principal amount of $200,000 or integral multiples of $1,000 in excess thereof.

(d) If the Change of Control Payment Date is on or after a Record Date and on or before the related Interest Payment Date, any accrued and unpaid interest to the Change of Control Payment Date will be paid on the Change of Control Payment Date to the Person in whose name a Note is registered at the close of business on such Record Date.

(e) Prior to making a Change of Control Payment, and as a condition to such payment (1) the requisite lenders or holders of Debt incurred or issued under a credit facility, an indenture

or other agreement that may be violated by such payment shall have consented to such Change of Control Payment being made and waived the event of default, if any, caused by the Change of Control Triggering Event or (2) the Company will repay all outstanding Debt incurred or issued under a credit facility, an indenture or other agreement that may be violated by a Change of Control Payment or the Company will offer to repay all such Debt, make payment to the lenders or holders of such Debt that accept such offer and obtain waivers of any event of default arising under the relevant credit facility, indenture or other agreement from the remaining lenders or holders of such Debt. The Company covenants to effect such repayment or obtain such consent prior to making a Change of Control Payment, it being a default of the Change of Control Triggering Event provisions of this Indenture if the Company fails to comply with such covenant.

(f) the Company will not be required to make an Change of Control Offer upon a Change of Control Triggering Event if (1) a third party makes the Change of Control Offer upon a Change of Control Triggering Event in the manner, at the time and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer upon a Change of Control Triggering Event made by the Company and purchases all the notes properly tendered and not withdrawn under such Change of Control Offer or (2) notice of redemption has been given pursuant to this Indenture as described under ARTICLE 3 unless and until there is a default in payment of the applicable redemption price.

(g) Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control Triggering Event and be conditional upon such Change of Control Triggering Event if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

(h) In the event that the Holders of not less than 90% of the aggregate principal amount of the outstanding Notes accept an Change of Control Offer and the Company or a third party purchases all the Notes held by such Holders, the Company will have the right, on not less than 15 nor more than 60 days' prior notice, given not more than 30 days following the purchase pursuant to the Change of Control Offer, to redeem all of the Notes that remain outstanding following such purchase at the Change of Control Payment equal to that in the Change of Control Offer plus, to the extent not included in the Change of Control Payment, accrued and unpaid interest and Additional Amounts, if any, on the Notes that remain outstanding, to the date of redemption (subject to the right of Holders of record on the relevant Change of Control Payment Date to receive interest due on the relevant Interest Payment Date).

(i) The Company will comply with Rule 14e-1 under the Exchange Act (to the extent applicable) and all other applicable laws and regulations in connection with the repurchase of the Notes pursuant to an Change of Control Offer, and the above procedures will be deemed modified as necessary to permit such compliance. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Indenture, the Company will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in this Indenture by virtue thereof.

(j) Other than as specifically provided in this Section 4.15, any purchase pursuant to this Section 4.15 shall be made pursuant to the provisions of Sections 3.02, 3.05 and 3.06.

Section 4.16 Limitation on Asset Sales.

(a) The Company will not, and will not permit any Restricted Subsidiary to, make or any Asset Sale, unless the following conditions are met:

(1) The Asset Sale is for Fair Market Value.

(2) At least 75% of the consideration for such Asset Sale, together with all other Asset Sales since the Issue Date (on a cumulative basis), consists of cash or Cash Equivalents received at closing; *provided, however*, to the extent that any disposition in any such Asset Sale was of Collateral, the consideration other than cash or Cash Equivalents is pledged as Collateral under the Security Documents substantially simultaneously with such sale, in accordance with the requirements set forth in this Indenture.

For purposes of this clause (2), (i) the assumption by the purchasers of Debt or other obligations (other than Subordinated Debt) of the Company or a Restricted Subsidiary pursuant to a written agreement which releases or indemnifies the Company or such Restricted Subsidiary from such obligations, (ii) Debt (other than Subordinated Debt) of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Company and each other Restricted Subsidiary are released from any guarantee of, or are not liable with respect to, such Debt in connection with such Asset Sale, (iii) consideration consisting of Debt of the Company or any Guarantor received from persons who are not the Company or any Restricted Subsidiary, (iv) instruments, securities or other obligations received by the Company or any of its Restricted Subsidiaries from the purchasers that are converted into cash or Cash Equivalents within 180 days of the closing, and (v) any Designated Non-cash Consideration received by the Company or such Restricted Subsidiary in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (v) that is at that time outstanding, not to exceed the greater of (A) $225.0 million and (B) 5.0% of Adjusted Consolidated Net Tangible Assets at the time of the receipt of such Designated Non-cash Consideration, with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value, shall be considered to be cash received at closing.

(3) Within 365 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Net Cash Proceeds may be used:

(A) to the extent the disposition was of Collateral, to either (A) reduce Debt under the Notes on a ratable basis, at its option by

(i) redeeming Notes as described under Section 3.07 or (ii) purchasing Notes through open market purchases, or (B) purchase the Notes (including any Additional Notes) pursuant to an offer to all holders of Notes at a purchase price equal to 100% of the outstanding principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including the date of purchase, and in each case any other Parity Lien Debt on a ratable basis;

(B) to the extent the disposition was not of Collateral, to repay Debt (other than Subordinated Debt) of the Company or any Restricted Subsidiary (and in the case of a revolving credit, permanently reduce the commitment thereunder by such amount), in each case owing to a Person other than the Company or any Restricted Subsidiary;

(C) to acquire or invest in (or within such 365-day period in this clause (3), the Board of Directors shall have made a good faith determination to acquire or invest, which acquisition or investment shall be consummated on or prior to 180 days of such determination) (i) Additional Assets, (ii) assets of a Permitted Business (or make capital expenditures in respect of a Permitted Business), (iii) a majority of the Voting Stock of another Person that thereupon becomes a Restricted Subsidiary engaged in a Permitted Business or (iv) a Permitted Business Investment; *provided, however*, that such assets

acquired with the Net Cash Proceeds of any disposition in any such Asset Sale of Collateral are pledged as Collateral under the Security Documents substantially simultaneously with such acquisition, in accordance with the requirements set forth in this Indenture; or

(D) to make a Restricted Payment pursuant to Section 4.08(b)(16) to the extent of the limitation on the amount of such Restricted Payment set forth therein.

(4) Notwithstanding clauses (2) and (3) above, the Company and its Restricted Subsidiaries will be permitted to consummate an Asset Sale without complying with such clauses to the extent either (A) at least 75% of the consideration for such Asset Sale constitutes Additional Assets, cash, Cash Equivalents and/or Marketable Securities or (B) in the event of an Asset Sale involving Equity Interests of a Restricted Subsidiary, (i) at least 30% of the consideration for such Asset Sale constitutes Additional Assets, cash, Cash Equivalents and/or Marketable Securities received at closing; provided that the remaining 45% of the consideration is paid on or prior to the third anniversary of the closing and constitutes Additional Assets, cash, Cash Equivalents and/or Marketable Securities and (ii) in the event existing Equity Interests are sold by the Company that such Equity Interests are pledged in favor of the Company or Restricted Subsidiary (or such Equity Interests are mortgaged for the benefit of the Company or Restricted Subsidiary) until such consideration is paid; *provided* that any consideration not constituting Additional Assets received by the Company or any Restricted Subsidiary in connection with any Asset Sale permitted to be consummated under this clause shall be applied (in the case of cash, Cash Equivalents and Marketable Securities within 365 days after the receipt thereof subject to the proviso above) in accordance with the provisions of clause (3) above; and *provided, further*, that such Additional Assets acquired through any disposition of Collateral are pledged as Collateral under the Security Documents substantially simultaneously with such acquisition, in accordance with the requirements set forth in this Indenture.

(5) The Net Cash Proceeds of an Asset Sale not applied pursuant to Section 4.16(a)(3) or determined by the Board of Directors to not be applied pursuant to Section 4.16(a)(3)(C) within 365 days of the Asset Sale constitute "*Excess Proceeds*." Excess Proceeds of less than U.S.$50.0 million will be carried forward and accumulated. When accumulated Excess Proceeds equals or exceeds such amount, the Company must, within 30 days, make an offer ("*Asset Sale Offer*") to purchase Notes pursuant to Section 3.09. Upon completion of an Asset Sale Offer, Excess Proceeds will be reset at zero.

(b) Pending application in accordance with this Section 4.16, Net Cash Proceeds may be applied to temporarily reduce revolving credit borrowings, if any, or invested in Cash Equivalents. The Fair Market Value for any Asset Sale will be determined by the Company in good faith.

(c) To the extent that any portion of Net Cash Proceeds payable in respect of the Notes is denominated in a currency other than U.S. dollars, the amount thereof payable in respect of the Notes shall not exceed the net amount of funds in U.S. dollars that is actually received by the Company upon converting such portion into U.S. dollars.

(d) Notwithstanding any other provisions of this Section 4.16, (i) to the extent that any of or all the Net Cash Proceeds of any Asset Sales is prohibited or delayed by applicable law, the portion of such Net Cash Proceeds so affected will not be required to be applied in compliance with this covenant, and such amounts may be retained by the Company or Subsidiary, as applicable, so long, but only so long, as the applicable law will not permit repatriation to the United States, Bermuda or the Cayman Islands (the Company hereby agreeing to use reasonable efforts (as determined in the Company's

good faith judgment) to, or otherwise cause the applicable Subsidiary to, promptly take all actions reasonably required by the applicable law to permit such repatriation), and once such repatriation of any of such affected Net Cash Proceeds is permitted under the applicable law, such repatriation will be promptly effected and such repatriated Net Cash Proceeds will be promptly (and in any event not later than five Business Days after such repatriation could be made) applied (net of additional taxes payable or reserved against as a result thereof) (whether or not repatriation actually occurs) in compliance with this Section 4.16 and (ii) to the extent that the Company has determined in good faith that repatriation of any of or all the Net Cash Proceeds of any such prohibited or delayed Asset Sale would have a material adverse tax cost consequence with respect to such Net Cash Proceeds (which for the avoidance of doubt, may include, but is not limited to, any prepayment whereby doing so the Company, any Restricted Subsidiary or any of their respective affiliates and/or equity partners would incur a tax liability, including as a result of a dividend or a deemed dividend, or a withholding tax), the Net Proceeds so affected may be retained by the applicable Subsidiary. The non-application of any prepayment amounts as a consequence of the foregoing provisions will not, for the avoidance of doubt, constitute a Default or an Event of Default. The Trustee shall be entitled to conclusively rely on an Officer's Certificate from the Company to the effect that applicable law will not permit repatriation of such amounts to the United States.

Section 4.17 Covenant Termination.

(a) If on any date:

(1) the Notes have an Investment Grade Rating from both of the Rating Agencies; and

(2) no Default or Event of Default has occurred and is continuing under this Indenture,

then, beginning on that day and continuing at all times thereafter regardless of any subsequent changes in the rating of the Notes, the Company and its Restricted Subsidiaries will not be subject to Sections 4.08, 4.09, 4.11, 4.12, 4.14, 4.16 and 5.01(a)(4).

(b) The Company will provide the Trustee and the Paying Agent an Officer's Certificate upon which the Trustee and Paying Agent can conclusively rely that the Notes are given Investment Grade Ratings.

Section 4.18 Payment of Additional Amounts

(a) All payments by the Company in respect of the Notes or the Guarantors in respect of the Note Guarantees will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments, or other governmental charges of whatever nature imposed or levied by or on behalf of the Company's, a Guarantor's or any successor's jurisdiction of incorporation or the jurisdiction in which central management or control of the Company, such Guarantor or such successor, as applicable, is exercised, or in or through which payments are made in respect of the Notes or the Note Guarantees or, in each case, any political subdivision or governmental authority therein (each a ''*Relevant Taxing Jurisdiction*''), unless the Company, such Guarantor or such successor is compelled by law to deduct or withhold such taxes, duties, assessments, or governmental charges. In such event, the relevant payor will make such deduction or withholding, make payment of the amount so withheld to the appropriate governmental authority and pay such additional amounts (the ''*Additional Amounts*'') as may be necessary to ensure that the net amounts receivable by holders of Notes after such withholding or deduction shall equal the respective amounts of principal and interest (and premium, if any) which would

have been receivable in respect of the Notes in the absence of such withholding or deduction. No such Additional Amounts shall be payable:

(1) to, or to a third party on behalf of, a Holder or beneficial owner who is liable for such taxes, duties, assessments or governmental charges in respect of such Note by reason of the existence of any present or former connection between such Holder (or between a fiduciary, settlor, beneficiary, member or shareholder of such Holder, if such Holder is an estate, a trust, a partnership, or a corporation) or beneficial owner and the Relevant Taxing Jurisdiction, including, without limitation, such Holder (or such fiduciary, settlor, beneficiary, member or shareholder) or beneficial owner being or having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having, or having had, a permanent establishment therein, other than the mere holding of the Note or enforcement of rights and the receipt of payments with respect to the Note;

(2) in respect of Notes surrendered (if surrender is required) more than 30 days after the Relevant Date except to the extent that payments under such Note would have been subject to withholding and the Holder or beneficial owner of such Note would have been entitled to such Additional Amounts, on surrender of such Note for payment on the last day of such period of 30 days;

(3) in respect of any tax that is imposed on a payment to an individual and is required to be made pursuant to any law implementing or complying with, or introduced in order to conform to, the European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income;

(4) to, or to a third party on behalf of, a Holder or beneficial owner who is liable for such taxes, duties, assessments or other governmental charges by reason of such Holder's or beneficial owner's failure to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with the Relevant Taxing Jurisdiction, or a successor jurisdiction or applicable political subdivision or authority thereof or therein having power to tax, of such Holder or beneficial owner, if (a) compliance is required by such jurisdiction, or any political subdivision or authority thereof or therein having power to tax, as a precondition to, exemption from, or reduction in the rate of, the tax, duty, assessment or other governmental charge and (b) the Company or any Guarantor has given the Holders at least 30 days' notice that Holders will be required to provide such certification or identification or comply with such other requirement;

(5) in respect of any estate, inheritance, gift, sales, transfer, excise or personal property or similar tax, assessment or governmental charge;

(6) in respect of any tax, assessment or other governmental charge which is payable other than by deduction or withholding from payments of principal of, premium, if any, or interest on the Note or by direct payment by the Company or any Guarantor in respect of claims made against the Company or any Guarantor; or

(7) in respect of any combination of the above.

(b) The Company will at all times during the term of the Notes, while there is a Paying Agent in Luxembourg, maintain a Paying Agent in a European Union jurisdiction which does not impose a withholding tax or deduction on payments in accordance with Council Directive 2003/48/EC or

any other European Union directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income.

(c) No Additional Amounts shall be paid with respect to any payment on a Note to a Holder who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of that payment to the extent that payment would be required by the laws of the Relevant Taxing

Jurisdiction, or any political subdivision thereof to be included in the income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of the partnership, an interest holder in the limited liability company or a beneficial owner who would not have been entitled to the Additional Amounts had that beneficiary, settlor, member, interest holder or beneficial owner been the Holder. The Company or applicable Guarantor, as the case may be, will provide the Trustee and Paying Agent with the official acknowledgement of the Relevant Taxing Jurisdiction (or, if such acknowledgement is not available, other reasonable documentation) evidencing the payment of any taxes, duties, assessments or other government charges in respect of which the Company or such Guarantor, as the case may be, has paid any Additional Amounts. Copies of such documentation will be made available by the Trustee to the Holders or beneficial owners of the Notes, as applicable, upon request therefor.

(d) At least 30 days prior to each date on which any payment under or with respect to the Notes is due and payable (unless such obligation to pay Additional Amounts arises shortly before or after the 30th day prior to such date, in which case it shall be promptly thereafter), if the Company or applicable Guarantor, as the case may be, will be obligated to pay Additional Amounts with respect to such payment, the Company will deliver to the Trustee and Paying Agent an Officer's Certificate stating the fact that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the Paying Agent to remit such Additional Amounts to Holders of Notes on the payment date. Each such Officer's Certificate shall be relied upon until receipt of a new Officer's Certificate addressing such matters.

(e) The Company will pay any stamp, issue, excise, property, registration, documentary or other similar taxes and duties, including interest and penalties, imposed by a Relevant Taxing Jurisdiction in respect of the creation, issue, delivery, registration and offering of the Notes or the execution of the Notes, the Note Guarantees or this Indenture. The Company will also pay and indemnify each of the Trustee, the Paying Agent and the Holders and beneficial owners of the Notes from and against all court taxes or other taxes and duties, including interest and penalties, paid by any of them in any jurisdiction in connection with any action permitted to be taken by the Holders and beneficial owners to enforce the Company's obligations under the Notes.

(f) Any reference in this Indenture or the Notes to principal, interest or any other amount payable in respect of the Notes by the Company or the Note Guarantees by any Guarantor will be deemed also to refer to any Additional Amount, unless the context requires otherwise, that may be payable with respect to that amount under the obligations referred to in this Section 4.18.

(g) The obligations of this Section 4.18 shall survive the termination or discharge of this Indenture.

Section 4.19 Listing.

In the event that the Notes are listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market, the Company will use its best efforts to maintain such listing; provided that if, as a result of the European Union regulated market amended Directive 2004/109/EC (the "*Transparency Directive*") or any legislation implementing the Transparency Directive or other directives or legislation, the Company could be required to publish financial information either more regularly than it otherwise would be required to or according to accounting principles which are materially different from the

accounting principles which the Company would otherwise use to prepare its published financial information, the Company may delist the Notes from the Luxembourg Stock Exchange in accordance with the rules of the exchange and will use its best efforts to obtain an alternative admission to listing, trading and/or quotation for the Notes on a different section of the Luxembourg Stock Exchange or by such other listing authority, stock exchange and/or quotation system inside or outside the European Union as the Company's Board of Directors may decide.

ARTICLE 5
SUCCESSORS

Section 5.01 Consolidation, Merger, Amalgamation or Sale of All or Substantially All Assets.

(a) The Company will not consolidate with or merge or amalgamate with or into, or sell, convey, transfer, dispose of or lease all or substantially all of its assets to, any Person, *unless*:

(1) the surviving Person (the "*Successor Company*") (if not the Company) will be a Person organized and existing under the laws of Bermuda, the Cayman Islands, the United States of America, any state thereof or the District of Columbia, or any other country that is a member country of the European Union or of the Organization for Economic Co-operation and Development on the Issue Date, and such Person expressly assumes, by a supplemental indenture to this Indenture substantially in the form of Exhibit C hereto, executed and delivered to the Trustee and the Paying Agent, all the obligations of the Company under the Notes, this Indenture and the Security Documents;

(2) the Successor Company (if not the Company), if not organized and existing under the laws of Bermuda, undertakes, in such supplemental indenture, to pay such Additional Amounts in respect of principal and interest (and premium, if any) as may be necessary in order that every net payment receivable in respect of the Notes after deduction or withholding for or on account of any present or future tax, duty, assessment or other governmental charge imposed by such other country or any political subdivision or taxing authority thereof or therein will not be less than the amount of principal and interest (and premium, if any) then due and payable on the Notes, subject to the same exceptions set forth under Section 4.18;

(3) immediately prior to such transaction and immediately after giving effect to such transaction, no Default or Event of Default will have occurred and be continuing;

(4) immediately after giving effect to the transaction on a pro forma basis, the Company or the Successor Company (i) could Incur at least U.S.$1.00 of Debt pursuant to Section 4.09(a) or (ii) would not have a lower ratio described in Section 4.09(a).

(5) each Guarantor (unless it is the other party to the transactions described above, in which case Section 5.01(d) shall apply) shall have by accession deed to the Deed of Guarantee or supplemental indenture to this Indenture substantially in the form of Exhibit C hereto, as the case may be, confirmed that its Note Guarantee shall apply to such Successor Company's obligations under the Notes, this Indenture and the Security Documents; and

(6) the Successor Company (if not the Company) will have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, reasonably acceptable to the Trustee, stating that such consolidation, merger, amalgamation or transfer and such supplemental indenture, if any, comply with this Indenture.

(b) The Trustee will accept such Officer's Certificate and Opinion of Counsel as sufficient evidence of the satisfaction of the conditions precedent set forth in this Section 5.01, in which event it will be conclusive and binding on the Holders of the Notes.

(c) Notwithstanding the restriction described in Section 5.01(a)(3) and Section 5.01(a)(4), any Restricted Subsidiary may consolidate with, merge or amalgamate into or transfer all or part of its properties and assets to the Company, the Company may merge or amalgamate into a Restricted Subsidiary for the purpose of reincorporating the Company in another jurisdiction, and any Restricted Subsidiary may consolidated with, merge or amalgamate into or transfer all or part of its properties and assets to another Restricted Subsidiary.

(d) The Company will not permit any Guarantor to consolidate with or merge or amalgamate with or into, or sell, covey, transfer, dispose of or lease all or substantially all of its assets to, any Person, *unless*:

(1) the surviving Person (the "*Successor Guarantor*") (if not the Guarantor) will be a Person organized and existing under the laws of Bermuda, the Cayman Islands, the United States of America, any state thereof or the District of Columbia, or any other country that is a member country of the European Union or of the Organization for Economic Co-operation and Development on the Issue Date, and such Person expressly assumes in an accession deed to the Deed of Guarantee or supplemental indenture to this Indenture substantially in the form of Exhibit C hereto, as the case may be, executed and delivered to the Security and Intercreditor Agent, the Trustee and the Paying Agent, all the obligations of the Guarantor under the Notes, this Indenture, the Note Guarantee and the Security Documents;

(2) the Successor Guarantor (if not the Guarantor), if not organized and existing under the laws of Bermuda, undertakes, in such accession deed or supplemental indenture, to pay such Additional Amounts in respect of principal and interest (and premium, if any) as may be necessary in order that every net payment receivable in respect of the Notes after deduction or withholding for or on account of any present or future tax, duty, assessment or other governmental charge imposed by such other country or any political subdivision or taxing authority thereof or therein will not be less than the amount of principal and interest (and premium, if any) then due and payable on the Notes, subject to the same exceptions set forth in Section 4.18;

(3) immediately prior to such transaction and immediately after giving effect to such transaction, no Default or Event of Default will have occurred and be continuing; and

(4) the Successor Guarantor (if not the Guarantor) will have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, reasonably acceptable to the Trustee, stating that such consolidation, merger, amalgamation or transfer and such supplemental indenture, if any, comply with this Indenture.

(e) Notwithstanding the restriction described in Section 5.01(d)(3), any Restricted Subsidiary may consolidate with, merge or amalgamate into or transfer all or part of its properties and assets to any Guarantor, any Guarantor may merge or amalgamate into a Restricted Subsidiary for the purpose of reincorporating such Guarantor in another jurisdiction, and any Restricted Subsidiary may consolidate with, merge or amalgamate into or transfer all or part of its properties and assets to another Restricted Subsidiary.

(f) Upon written request and the receipt of an Officer's Certificate and Opinion of Counsel to the effect that the amendment or supplement is authorized or permitted under this Indenture

and the Security Documents and that all conditions precedent thereto have been satisfied, to the extent it is necessary to amend or supplement the Security Documents to provide for any transaction provided for in accordance with these provisions, the Trustee is hereby expressly authorized and directed to enter any such amendments or supplements on behalf of the Holders.

Section 5.02 Successor Entity Substituted.

Upon any consolidation, merger, amalgamation, sale, assignment, conveyance, transfer, assignment, disposition or lease of all or substantially all of the assets of the Company or a Guarantor in accordance with Section 5.01, the Successor Company and the Successor Guarantor, as the case may be, will succeed to, and be substituted for, and may exercise every right and power of, the Company or a Guarantor, as the case may be, under the Indenture, the Notes, the Security Documents and the Note Guarantees with the same effect as if such surviving Person had been named as the Company or a Guarantor, as the case may be, in this Indenture, the Notes, the Security Documents and the Note Guarantees; *provided* that, in the case of a lease of all or substantially all its assets, the Company will not be released from the obligation to pay the principal and interest (and premium, if any) on the Notes, and a Guarantor will not be released from its obligations under its Note Guarantee.

ARTICLE 6

DEFAULTS AND REMEDIES

Section 6.01 Events of Default.

(a) An "*Event of Default*" occurs if:

(1) the Company defaults in any payment of interest (including Additional Amounts, if any) on any Note when the same becomes due and payable, and such default continues for a period of 30 days;

(2) the Company defaults in the payment of the principal (including Additional Amounts, if any) of any Note when the same becomes due and payable upon acceleration or redemption or otherwise;

(3) the Company fails to make an Offer to Purchase and thereafter to accept and pay for Notes tendered when and as required pursuant to Section 4.15;

(4) the Company or any Guarantor fails to comply with Section 5.01;

(5) the Company or any Guarantor, as the case may be, fails to comply with any of its covenants or agreements in the Notes, the Note Guarantees, this Indenture or the Security Documents (other than those referred to in (1), (2), (3) and (4) above), and such failure continues for 60 days after the notice specified below;

(6) the Company or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, defaults under any mortgage, Indenture or instrument under which there may be issued or by which there may be secured or evidenced any Debt for money borrowed by the Company or such Significant Subsidiary or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary (or the payment of which is guaranteed by the Company or such Significant Subsidiary or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary) whether such Debt or guarantee now exists, or is created after the Issue

Date, which default (a) is caused by failure to pay principal of or premium, if any, or interest on such Debt after giving effect to any grace period provided in such Debt on the date of such default (a "*Payment Default*") or (b) results in the acceleration of such Debt prior to its express maturity and, in each case, the principal amount of any such Debt, together with the principal amount of any other such Debt under which there has been a Payment Default or the maturity of which has been so accelerated, totals U.S.$125.0 million (or the equivalent thereof at the time of determination) or more in the aggregate.

(7) one or more final and non-appealable-judgments for the payment of money are rendered against the Company or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, and are not paid or otherwise discharged and there is a period of 60 consecutive days following entry of the final and non-appealable judgment that causes the aggregate amount for all such final and non-appealable judgments outstanding and not paid or discharged against all such Persons to exceed U.S.$125.0 million or the equivalent thereof at the time of determination (in excess of amounts which the Company's insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;

(8) an involuntary case or other proceeding is commenced against the Company or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 days; or an order for relief is entered against the Company or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, under the federal bankruptcy laws as now or hereafter in effect and such order is not being contested by the Company or such Significant Subsidiary or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, as the case may be, in good faith or has not been dismissed, discharged or otherwise stayed, in each case within 60 days of being made;

(9) the Company or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, (i) commences a voluntary case or other proceeding seeking the commencement of judicial or extra judicial reorganization, proceedings or bankruptcy proceedings with respect to itself or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (ii) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, or for all or substantially all of the property of the Company or such Significant Subsidiary or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary or (iii) effects any general assignment for the benefit of creditors;

(10) any event occurs that under the laws of Bermuda or any political subdivision thereof or any other country has substantially the same effect as any of the events referred to in any of clause (8) or (9) of this Section 6.01(a);

(11) any Note Guarantee by a Significant Subsidiary or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, ceases to be in full

force and effect, other than in accordance with the terms of this Indenture, or a Guarantor denies or disaffirms its obligations under its Note Guarantee;

(12) all or substantially all of the undertakings, assets and revenues of the Company and any Significant Subsidiary or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, taken as a whole, is condemned, seized or otherwise appropriated (other than in accordance with its terms) by any Person acting under the authority of any national, regional or local government or the Company or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, is prevented by such Person for a period of 60 consecutive days or longer from exercising normal control over all or substantially all of its

undertaking, assets and revenues; or

(13) the Liens created by the Security Documents shall at any time not constitute a valid and perfected Lien on any material portion of the Collateral intended to be covered thereby (to the extent perfection by filing, registration, recordation or possession is required by this Indenture or the Security Documents) if such default continues for 30 days after notice, or the enforceability thereof shall be contested by the Company.

However, a Default under clauses (5) of this Section 6.01(a) will not constitute an Event of Default until the Trustee (acting at the direction of holders of at least 25.0% in outstanding principal amount of the Notes) or the holders of at least 25.0% in principal amount of the Notes outstanding notify the Company and the Trustee of the Default and the Company does not cure such Default within the time specified in clause (5) of this Section 6.01(a) after receipt of such notice.

(b) The Trustee is not to be charged with knowledge of any Default or Event of Default or knowledge of any cure of any Default or Event of Default unless either (i) a Responsible Officer of the Trustee with direct responsibility for this Indenture has actual knowledge of such Default or Event of Default or (ii) written notice of any event which is in fact a Default or Event of Default has been given to the Trustee at its corporate trust office by the Company, any Guarantor or any Holder, such notice identifying this Indenture and the Company.

Section 6.02 Acceleration.

(a) If an Event of Default (other than an Event of Default described in clauses (8), (9) or (10) of Section 6.01(a)) occurs and is continuing, the Trustee (acting at the direction of holders of at least 25.0% in outstanding principal amount of the Notes) by written notice to the Company, specifying the Event of Default, or the Holders of at least 25% in principal amount of the then outstanding Notes, by written notice to the Company and the Trustee, may, declare the principal, premium, if any, and accrued and unpaid interest, if any, on all the Notes to be due and payable. Upon such declaration, such principal, premium, if any, and accrued and unpaid interest, if any, will be due and payable.

(b) In case an Event of Default described in clauses (8), (9) or (10) of Section 6.01(a) occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest, if any, on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

(c) In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (6) of Section 6.01(a) has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if:

(1) the default triggering such Event of Default pursuant to clause (6) of Section 6.01(a) shall be remedied or cured by the Company or a Restricted Subsidiary or waived by the

holders of the relevant Debt within 20 days after the declaration of acceleration with respect thereto; and

(2) (A) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (B) all existing Events of Default, except nonpayment of principal, premium, if any, or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

(d) The Holders of a majority in principal amount of the outstanding Notes may waive all past Events of Default (except with respect to nonpayment of principal, premium or interest) and rescind any acceleration with respect to the Notes and its consequences if (1) such rescission would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived.

Section 6.03 Other Remedies.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal, premium, if any, and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04 Waiver of Past Defaults.

The Holders of a majority in principal amount of the outstanding Notes by written notice to the Trustee may on behalf of all Holders waive any existing Default or Event of Default and its consequences hereunder, except:

(1) a continuing Default or Event of Default in the payment of the principal, premium, if any, or interest on any Note held by a non-consenting Holder (including in connection with an Asset Sale Offer or a Change of Control Offer); and

(2) a Default or Event of Default with respect to a provision that under Section 9.02 cannot be amended without the consent of each Holder affected,

provided that, subject to Section 6.02, the Holders of a majority in principal amount of the then outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration. Upon any such waiver, such Default or Event of Default shall cease to exist, and, if applicable, any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture, but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05 Control by Majority.

The Holders of a majority in principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any

direction that conflicts with law, this Indenture, the Notes, the Security Documents or any Note Guarantee, or that the Trustee determines in good faith is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability. Prior to taking any action hereunder or under the Security Documents, the Trustee shall be entitled to indemnification reasonably satisfactory to it against all losses and expenses caused by taking or not taking such action.

Section 6.06 Limitation on Suits.

Subject to Section 6.07, no Holder may pursue any remedy with respect to this Indenture or the Notes *unless*:

(1) such Holder has previously given the Trustee notice that an Event of Default is continuing;

(2) the Holders of at least 25.0% in principal amount of the then outstanding Notes have requested the Trustee to pursue the remedy;

(3) such Holders have offered the Trustee security or indemnity reasonably satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity; and

(5) the Holders of a majority in principal amount of the then outstanding Notes have not given the Trustee a direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

Section 6.07 Rights of Holders to Receive Payment.

Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal, premium, if any, and interest on its Note, on or after the respective due dates expressed or provided for in such Note (including in connection with an Asset Sale Offer or a Change of Control Offer), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 6.08 Collection Suit by Trustee.

If an Event of Default specified in Section 6.01(a)(1) or (2) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company and any other obligor on the Notes for the whole amount of principal, premium, if any, and interest remaining unpaid on the Notes, together with interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee and its agents and counsel.

Section 6.09 Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any

determination in such proceedings, the Company, the Guarantors, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding has been instituted.

Section 6.10 Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes in Section 2.07, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy are, to the extent permitted by law, cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 6.11 Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

Section 6.12 Trustee May File Proofs of Claim.

The Trustee may file proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders of the Notes allowed in any judicial proceedings relative to the Company (or any other obligor upon the Notes, including the Guarantors), its creditors or its property and is entitled and empowered to participate as a member in any official committee of creditors appointed in such matter and to collect, receive and distribute any money or other property payable or deliverable on any such claims. Any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee and its agents and counsel, and any other amounts due the Trustee under Section 7.07. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.13 Priorities.

If the Trustee collects any money or property pursuant to this Article 6 or pursuant to the foreclosure or other remedial provisions contained in the Security Documents, it shall pay out the money or proceeds of property in the following order:

(1) to the Trustee and its agents and attorneys for amounts due under Section 7.07, including payment of all reasonable compensation, expenses and liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection;

(2) to holders of Senior Debt of such Guarantor, in each case to the extent required by Article 12 (but only to the extent a Responsible Officer of the Trustee has received written notice of the identities of such holders and the amounts due thereto by the Intercreditor and Security Agent no earlier than ten Business Days prior and no later than five Business Days prior to the date of such remittance);

(3) to Holders for amounts due and unpaid on the Notes for principal, premium, if any, and interest ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, if any, and interest, respectively; and

(4) to the Company or to such party as a court of competent jurisdiction shall direct, including a Guarantor, if applicable.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.13. Promptly after any record date is set pursuant to this Section 6.13, the Trustee shall cause notice of such record date and payment date to be given to the Company and to each Holder in the manner set forth in Section 14.02.

Section 6.14 Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in such suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.14 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.07, or a suit by Holders of more than 10% in aggregate principal amount of the outstanding Notes.

ARTICLE 7

TRUSTEE

Section 7.01 Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee will exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the duties of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or

investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liabilities for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved in a court of competent jurisdiction that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b) and (c) of this Section 7.01.

(e) Subject to this Article 7, if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under this Indenture, the Notes, the Security Documents and the Note Guarantees at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity or security reasonably satisfactory to it against any loss, liability or expense.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

Section 7.02 Rights of Trustee.

(a) The Trustee may conclusively rely upon and shall be protected in acting or refraining from acting upon any resolution, Officer's Certificate, Opinion of Counsel, statement, certificate, instrument, opinion, report, notice, request, consent order, appraisal, bond or any other document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine in good faith to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney at the sole cost of the Company and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(b) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel or both subject to the other provisions of this Indenture. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel. The Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from

liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent or attorney appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture, the Notes, the Note Guarantees or the Security Documents.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company or a Guarantor shall be sufficient if signed by an Officer of the Company or such Guarantor.

(f) None of the provisions of this Indenture shall require the Trustee, Paying Agent, Transfer Agent or Registrar to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity reasonably satisfactory to it against such risk or liability is not assured to it.

(g) The Trustee shall not be deemed to have notice or knowledge of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a Default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the existence of a Default or Event of Default, the Notes and this Indenture.

(h) In no event shall the Trustee be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(i) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

(j) The Trustee may request that the Company deliver an Officer's Certificate setting forth the names of individuals or titles of Officers authorized at such time to take specified actions pursuant to this Indenture, which Officer's Certificate may be signed by any Person authorized to sign an Officer's Certificate, including any Person specified as so authorized in any such certificate previously delivered and not superseded.

(k) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

(l) The Trustee shall have no duty (A) to see to any recording, filing or depositing of this Indenture or any Security Document, or any financing statement or continuation statement evidencing a security interest, or to see to the maintenance of such recording or filing or depositing, or to any rerecording, refiling or redepositing of any thereof (B) to see to any insurance or (C) to see to the payment or discharge of any tax, assessment, or other governmental charge or any lien or encumbrance of any kind owing with respect to, assessed or levied against, any part of the trust.

(m) The Trustee and any of its Affiliates, directors, officers, managers, employees, advisors, counsel, agents or attorneys-in-fact shall not be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with this Indenture or any Security Document (each, a "*Financing Document*" and, collectively, the "*Financing Documents*"), or any certificate, financial statement or other document furnished at any time under or in connection with this Indenture or any other Financing Document, (ii) the performance or observance of any of the terms, covenants or agreements of the Company and the Guarantors or any Person in this Indenture or any other Financing Document (iii) the validity, effectiveness, genuineness, value, enforceability or sufficiency of the Collateral or any other Financing Document, or any other instrument or writing furnished in connection herewith or therewith, in respect of the Company or the Guarantors other than as set forth herein or therein or (iv) the attachment, perfection or priority of any security interest created or purported to be created under or in connection with any Collateral Document. Without limiting the generality of the foregoing, in the absence of its own negligence or willful misconduct, the Trustee or any of its Affiliates, directors, officers, managers, employees, advisors, counsel, agents or attorneys-in-fact shall be responsible to any Person for any mistake, omission or error of judgment with respect to the value or valuation, genuineness, enforceability, existence, perfection or priority of any of the Collateral, the determination of the fair market value of any Collateral, or any other matters determined hereunder or under the other Financing Documents.

(n) The right of the Trustee to perform any discretionary or permissive act enumerated in this Indenture or any Security Document shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct in the performance of such act.

(o) Delivery of reports, information and documents to the Trustee and the Paying Agent is for informational purposes only and their respective receipt of such reports shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's, any Guarantor's or any other Person's compliance with any of its covenants under this Indenture or the Notes (as to which the Trustee and the Paying Agent are entitled to rely exclusively on Officer's Certificates). Neither the Trustee nor the Paying Agent shall be obligated to monitor or confirm, on a continuing basis or otherwise, the Company's, any Guarantor's or any other Person's compliance with the covenants described herein or with respect to any reports or other documents filed under this Indenture.

Section 7.03 Individual Rights of Trustee.

The Trustee or any Agent in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or any Affiliate of the Company with the same rights it would have if it were not Trustee or such Agent. Any Agent may do the same with like rights and duties. The Trustee is also subject to Sections 7.10 and 7.11.

Section 7.04 Trustee's Disclaimer.

The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Company's use of the proceeds from the Notes or any money paid to the Company or upon the Company's direction under any provision of this Indenture, it shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it shall not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication on the Notes.

Section 7.05 Notice of Defaults.

If a Default or Event of Default occurs and is continuing and is known to a Responsible Officer of the Trustee, the Trustee will give to each Holder a notice of the Default within 90 days after it occurs. Except in the case of an Event of Default specified in clauses (1) or (2) of Section 6.01(a), the Trustee may withhold from the Holders notice of any continuing Default if the Trustee determines in good faith that withholding the notice is in the interest of the Holders. The Trustee shall not be deemed to know of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is a Default or an Event of Default is received by the Trustee at its Corporate Trust Office.

Section 7.06 [Reserved].

Section 7.07 Compensation and Indemnity.

(a) The Company and the Guarantors, jointly and severally, shall pay to the Trustee from time to time such compensation for its acceptance of this Indenture and services hereunder and under the Notes, the Note Guarantees and the Security Documents as the parties shall agree in writing from time to time. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses shall include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel. The Trustee shall provide the Company reasonable notice of any expenditure not in the ordinary course of business.

(b) The Company and the Guarantors, jointly and severally, shall indemnify the Trustee and any predecessor Trustee for, and hold each of the Trustee and any predecessor Trustee harmless against, any and all loss, damage, claims, liability or expense (including attorneys' fees and expenses) incurred by it in connection with the acceptance or administration of this trust and the performance of its duties hereunder (including the costs and expenses of enforcing this Indenture, the Notes, the Note Guarantees and the Security Documents against the Company or any Guarantor (including this Section 7.07)) or defending itself against any claim whether asserted by any Holder, the Company or any Guarantor, or liability in connection with the

acceptance, exercise or performance of any of its powers or duties hereunder). The Trustee shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company shall not relieve the Company of its obligations hereunder. The Company shall defend the claim and the Trustee may have separate counsel and the Company shall pay the fees and expenses of such counsel. The Company need not reimburse any expense or indemnify against any loss, liability or expense incurred by the Trustee through the Trustee's own willful misconduct, negligence or bad faith as determined by a court of competent jurisdiction in a final, non-appealable decision. .

(c) The obligations of the Company and the Guarantors under this Section 7.07 shall survive the satisfaction and discharge of this Indenture or the earlier resignation or removal of the Trustee.

(d) To secure the payment obligations of the Company and the Guarantors in this Section 7.07, the Trustee shall have a Lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay principal and interest on particular Notes. Such Lien shall survive the satisfaction and discharge of this Indenture.

(e) When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(a)(8), (9) or (10) occurs, the expenses and the compensation for the services

(including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

Section 7.08 Replacement of Trustee.

(a) A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.08. The Trustee may resign in writing at any time by giving 30 days' prior notice of such resignation to the Company and be discharged from the trust hereby created by so notifying the Company. The Holders of a majority in aggregate principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Company in writing. The Company may remove the Trustee if:

(1) the Trustee fails to comply with Section 7.10;

(2) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(3) a receiver or public officer takes charge of the Trustee or its property; or

(4) the Trustee becomes incapable of acting.

(b) If the Trustee resigns or is removed or if a vacancy exists in the office of the Trustee for any reason, the Company shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in aggregate principal amount of the then outstanding Notes may remove the successor Trustee to replace it with another successor Trustee appointed by the Company.

(c) If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee (at the Company's expense), the Company or the Holders of at least 10% in aggregate principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(d) If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.10, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(e) A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee; *provided* that all sums owing to the Trustee hereunder have been paid and such transfer shall be subject to the Lien provided for in Section 7.07. Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Company's obligations under Section 7.07 shall continue for the benefit of the retiring Trustee.

(f) As used in this Section 7.08, the term "Trustee" shall also include each Agent.

Section 7.09 Successor Trustee by Merger, etc.

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation or national banking association, the successor

corporation or national banking association without any further act shall be the successor Trustee, subject to Section 7.10.

Section 7.10 Eligibility; Disqualification.

There shall at all times be a Trustee hereunder that is a corporation or national banking association organized and doing business under the laws of the United States or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual

report of condition.

ARTICLE 8

LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01 Option to Effect Legal Defeasance or Covenant Defeasance.

The Company may, at its option and at any time, elect to have either Section 8.02 or Section 8.03 applied to all outstanding Notes upon compliance with the conditions set forth below in this Article 8.

Section 8.02 Legal Defeasance and Discharge.

(a) Upon the Company's exercise under Section 8.01 of the option applicable to this Section 8.02, the Company and the Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.04, be deemed to have been discharged from their obligations with respect to this Indenture, all outstanding Notes and Note Guarantees on the date the conditions set forth below are satisfied ("*Legal Defeasance*"). For this purpose, Legal Defeasance means that the Company shall be deemed to have paid and discharged the entire Debt represented by the outstanding Notes, which shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 and the other Sections of this Indenture referred to in clauses (1) through (4) below, and to have satisfied all of its other obligations under such Notes and this Indenture, including that of the Guarantors (and the Trustee, on demand of and at the expense of the Company, shall execute such instruments as reasonably requested by the Company acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder:

(1) the rights of Holders to receive payments in respect of the principal, premium, if any, and interest on the Notes when such payments are due, solely out of the trust created pursuant to this Indenture referred to in Section 8.04;

(2) the Company's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for Note payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and the Company's obligations in connection therewith; and

(4) this Section 8.02.

(b) Following the Company's exercise of its Legal Defeasance option, payment of the Notes may not be accelerated because of an Event of Default.

(c) Subject to compliance with this Article 8, the Company may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03.

Section 8.03 Covenant Defeasance.

Upon the Company's exercise under Section 8.01 of the option applicable to this Section 8.03, the Company and the Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.04, be released from their obligations under the covenants contained in Sections 3.09, 4.03, 4.06, 4.08, 4.09, Section 4.10, 4.11, 4.12, Section 4.13, 4.14, 4.15, 4.16, 4.17, 4.19, and clause (4) of Section 5.01(a) with respect to the outstanding Notes, and the Guarantors shall be deemed to have been discharged from their obligations with respect to all Note Guarantees, on and after the date the conditions set forth in Section 8.04 are satisfied ("*Covenant Defeasance*"), and the Notes shall thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to this Indenture and the outstanding Notes, the Company may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 6.01, but, except as specified above, the remainder of this Indenture, and such Notes shall be unaffected thereby. In addition, upon the Company's exercise under Section 8.01 of the option applicable to this Section 8.03, subject to the satisfaction of the conditions set forth in Section 8.04, an Event of Default specified in Section 6.01(a)(3) (only with respect to the covenants that are released as a result of such Covenant Defeasance), Section 6.01(a)(4) that resulted solely from the failure of the Company to comply with clause (4) of Section 5.01(a), 6.01(a)(5) (only with respect to covenants that are released as a result of such Covenant Defeasance), 6.01(a)(6), 6.01(a)(7), 6.01(a)(8), 6.01(a)(9), 6.01(a)(10), 6.01(a)(12) (solely with respect to Significant Subsidiaries or any group of Restricted Subsidiaries that, taken together (as of the date of the latest audited financial statements of the Company and its Restricted Subsidiaries) would constitute a Significant Subsidiary), 6.01(a)(11) and 6.01(a)(13), in each case, shall not constitute an Event of Default.

Section 8.04 Conditions to Legal or Covenant Defeasance.

(a) The following shall be the conditions to the exercise of either the Legal Defeasance option under Section 8.02 or the Covenant Defeasance option under Section 8.03 with respect to the Notes:

(1) the Company must irrevocably deposit with the Paying Agent, in trust, for the benefit of the Holders, cash in U.S. dollars, Government Securities, or a combination thereof, in amounts as will be sufficient, as confirmed, certified or attested by an internationally recognized firm of independent public accountants in writing to the Trustee and Paying Agent, without consideration of any reinvestment of interest, to pay the principal, premium, if any, and interest due on the outstanding Notes on the Stated Maturity or on the applicable redemption date, as the case may be, and the Company must specify whether the Notes are being defeased to maturity or to a particular redemption date;

(2) in the case of Legal Defeasance, the Company has delivered to the Trustee and Paying Agent an Opinion of Counsel confirming

that, subject to customary assumptions and exclusions,

(A) the Company has received from, or there has been published by, the U.S. Internal Revenue Service a ruling, or

(B) since the Issue Date, there has been a change in the applicable U.S. federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel will confirm that beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Company has delivered to the Trustee and Paying Agent an Opinion of Counsel confirming that, subject to customary assumptions and exclusions, beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default has occurred and is continuing on the date of such deposit or will occur as a result of such deposit (other than a Default or an Event of Default resulting from the borrowing of funds to be applied to make such deposit and any similar and simultaneous deposit relating to other Debt and, in each case, the granting of Liens in connection therewith) and the deposit will not result in a breach or violation of, or constitute a default under, the Senior Credit Facility or any other material agreement or material instrument (other than this Indenture) to which the Company or any Guarantor is a party or by which the Company or any Guarantor is bound;

(5) the Company has delivered to the Trustee and Paying Agent an Officer's Certificate stating that the deposit was not made by the Company with the intent of defeating, hindering, delaying or defrauding any creditors of the Company, any Guarantor or others;

(6) the Company has delivered to the Trustee and Paying Agent an Officer's Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with; and

(7) the Company has delivered irrevocable instructions to the Trustee and Paying Agent to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be (which instructions may be contained in the Officer's Certificate referred to in clause (6) above).

Section 8.05 Deposited Money and Government Securities to Be Held in Trust; Other Miscellaneous Provisions.

(a) Subject to Section 8.06, all money and Government Securities (including the proceeds thereof) deposited with the Paying Agent pursuant to Section 8.04 in respect of the outstanding Notes shall be held in trust and applied by the Paying Agent, in accordance with the provisions of such Notes and this Indenture, to the payment, to the Holders of all sums due and to become due thereon in respect of principal, premium, if any, and interest on the Notes, but such money need not be segregated from other funds except to the extent required by law. Money and Government Securities so held in trust are not subject to Article 12.

(b) The Company will pay and indemnify the Trustee and Paying Agent against any tax, fee or other charge imposed on or assessed against the cash or Government Securities deposited pursuant to Section 8.04 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders.

(c) Anything in this Article 8 to the contrary notwithstanding, the Paying Agent will deliver or pay to the Company from time to time upon the request of the Company any money or Government Securities held by it as provided in Section 8.04 which, in the opinion of an internationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee and Paying Agent (which may be the opinion delivered under Section 8.04(a)), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06 Repayment to the Company.

Subject to any applicable abandoned property law, any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal, premium, if any, or interest on any Note and remaining unclaimed for two years after such principal, premium, if any, or interest has become due and payable shall be paid to the Company on its request or (if then held by the Company) shall be discharged from such trust; and the Holder of such Note shall thereafter look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; *provided*, *however*, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in The New York Times or The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining shall be repaid to the Company.

Section 8.07 Reinstatement.

If the Trustee or Paying Agent is unable to apply any U.S. dollars or Government Securities in accordance with Section 8.02 or Section 8.03, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's and the Guarantors' obligations under this Indenture, the Notes and the Note Guarantees shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or Section 8.03 until such time as the Trustee or Paying Agent is permitted to apply all such money

in accordance with Section 8.02 or Section 8.03, as the case may be; *provided* that, if the Company makes any payment of principal, premium, if any, or interest on any Note following the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9

AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01 Without Consent of Holders.

(a) Notwithstanding Section 9.02, without the consent of any Holder, the Company, the Trustee, the Paying Agent and the Security and Intercreditor Agent may amend or supplement this Indenture, the Notes or the Security Documents (subject, in the case of the Security Documents, to the rights of the other parties therein):

(1) to cure any ambiguity, omission, defect or inconsistency;

(2) to comply with Section 5.01;

(3) to add to the covenants of the Company or the Guarantors for the benefit of Holders of the Notes;

(4) to comply with any requirement to effect or maintain the qualification of this Indenture under the Trust Indenture Act;

(5) to surrender any right conferred upon the Company or the Guarantors;

(6) to evidence and provide for the acceptance of an appointment by a successor Trustee, Paying Agent, Transfer Agent, Registrar or Security and Intercreditor Agent;

(7) to provide for the issuance of Additional Notes and Parity Lien Obligations (including any amendment or supplement to any of the Security Documents in connection therewith);

(8) to provide for any Note Guarantee, to secure the Notes (including, without limitation, providing for additional Collateral pursuant to the terms of the Security Documents) or to confirm and evidence the release, termination or discharge of any guarantee of or Lien securing the Notes when such release, termination or discharge is permitted by this Indenture and the Security Documents;

(9) to make any other change that does not materially and adversely affect the rights of any Holder of the Notes or to conform this Indenture, the Notes or the Security Documents to "Description of Notes" section of the Offering Memorandum;

(10) to provide for the succession of any parties to the Security Documents (and other amendments that are administrative or ministerial in nature) in connection with an amendment, renewal, extension, substitution, refinancing, restructuring, replacement, supplement or other modification from time to time of any agreement that is not prohibited by this Indenture or the Security Documents; or

(11) in the case of an amendment or supplement of the Security Documents, to provide for any amendment or supplement permitted by this Indenture and the Security Documents.

(b) Upon the request of the Company, and upon receipt by the Trustee of the documents described in Section 14.04, the Trustee shall join with the Company and the Guarantors in the execution of any amended or supplemental indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall not be obligated to enter into such amended or supplemental indenture that affects its own rights, duties, liabilities or immunities under this Indenture or otherwise.

Section 9.02 With Consent of Holders.

(a) Except as provided in Section 9.01 and this Section 9.02, the Company, the Trustee, the Paying Agent and the Security and Intercreditor Agent may amend or supplement this Indenture, the Notes and the Security Documents with the consent of the Holders of a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in

connection with a purchase of, or tender offer or exchange offer for, Notes) and, subject to Section 6.04 and Section 6.07, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal, premium, if any, or interest on the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture, the Notes, the Note Guarantees or the Security Documents may be waived with the consent of the Holders of a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). Section 2.08 and Section 2.09 shall determine which Notes are considered to be "outstanding" for the purposes of this Section 9.02.

(b) Upon the request of the Company, and upon the filing with the Trustee of evidence of the consent of the Holders as aforesaid, and upon receipt by the Trustee of the documents described in Section 14.04, the Trustee shall join with the Company and the Guarantors in the execution of such amended or supplemental indenture unless such amended or supplemental indenture directly affects the Trustee's own rights, duties, liabilities or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such amended or supplemental indenture.

(c) It shall not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment, supplement or waiver. It shall be sufficient if such consent approves the substance of such proposed amendment, supplement or waiver.

(d) After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Company will give to the Holders a notice as described in Section 14.02(d) briefly describing such amendment, supplement or waiver. However, the failure of the Company to give such notice to all the Holders, or any defect in the notice, will not impair or affect the validity of any such amendment, supplement or waiver.

(e) Without the consent of each affected Holder, an amendment, supplement or waiver under this Section 9.02 may not (with respect to any Notes held by a non-consenting Holder):

(1) reduce the rate of or extend the time for payment of interest on any Note;

(2) reduce the principal of any Note;

(3) reduce the amount payable upon redemption of any Note or change the time at which any Note may be redeemed;

(4) change the currency for payment of principal of, or interest on, any Note;

(5) impair the right to institute suit for the enforcement of any payment on or with respect to any Note;

(6) waive certain payment defaults with respect to the Notes;

(7) reduce the principal amount of Notes whose Holders must consent to any amendment or waiver;

(8) make any change in the amendment or waiver provisions of this Indenture which require each Holder's consent;

(9) modify or change any provision of this Indenture affecting the ranking of the Notes or the Note Guarantees in a manner adverse to the Holders of the Notes;

(10) make any change in the Note Guarantees that would adversely affect the noteholders in any material respect (unless otherwise permitted pursuant to the terms of this Indenture); or

(11) make any change in the provisions of the Security Documents dealing with the application of the proceeds of Collateral from the Lien under this Indenture and the Security Documents with respect to the Notes that would adversely affect the noteholders (unless otherwise permitted pursuant to the terms of this Indenture).

(f) Without the consent of Holders of at least two-thirds of the outstanding principal amount of the Notes, this Indenture shall not permit the release of all or substantially all of the Collateral (other than in accordance with the terms of the Security Documents or this Indenture).

(g) A consent to any amendment, supplement or waiver of this Indenture, the Notes or the Note Guarantee by any Holder given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

Section 9.03 Compliance with Trust Indenture Act.

If this Indenture is qualified under the Trust Indenture Act, every amendment or supplement to this Indenture or the Notes shall be set forth in an amended or supplemental indenture that complies with the Trust Indenture Act as then in effect.

Section 9.04 Revocation and Effect of Consents.

(a) Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the waiver, supplement or amendment becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

(b) The Company may, but shall not be obligated to, fix a record date pursuant to Section 1.05 for the purpose of determining the Holders entitled to consent to any amendment, supplement or waiver.

Section 9.05 Notation on or Exchange of Notes.

(a) The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Company in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

(b) Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

Section 9.06 Trustee to Sign Amendments, etc.

Upon the request of the Company, the Trustee shall sign any amendment, supplement or waiver authorized pursuant to this Article 9 if the amendment, supplement or waiver does not adversely affect the rights, duties, liabilities or immunities of the Trustee. In executing any amendment, supplement or waiver, the Trustee shall be entitled to receive and (subject to Section 7.01) shall be fully protected in relying upon, in addition to the documents required by Section 14.04, an Officer's Certificate and an Opinion of Counsel stating that the execution of such amendment, supplement or waiver is authorized or permitted by this Indenture and that such amendment, supplement or waiver is the legal, valid and binding obligation of the Company and any Guarantor party thereto, enforceable against them in accordance with its terms, subject to customary exceptions, and complies with the provisions hereof (including Section 9.03).

ARTICLE 10

GUARANTEES

Section 10.01 Guarantee.

(a) The Note Guarantees by each Guarantor shall be evidenced by the Deed of Guarantee. Each Holder, by accepting a Note, consents and agrees to the terms of the Note Guarantees as set forth in the Deed of Guarantee as the same may be in effect or may be amended from time to time in accordance with its terms, the other Security Documents and this Indenture, and authorizes and directs the Trustee to enter into and accede to such Deed of Guarantee as beneficiary thereunder for and on behalf of itself and each Holder, and to perform its obligations and exercise its rights thereunder in accordance therewith.

(b) If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guarantors or any custodian, trustee, liquidator or other similar official acting in relation to the Company or the Guarantors, any amount paid either to the Trustee or such Holder, this Note Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

Section 10.02 [Reserved].

Section 10.03 [Reserved].

Section 10.04 [Reserved].

Section 10.05 Benefits Acknowledged.

Each Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by this Indenture and that the guarantee and waivers made by it pursuant to its Note Guarantee are knowingly made in contemplation of such benefits.

Section 10.06 Release of Note Guarantees.

(a) A Note Guarantee by a Guarantor shall be automatically and unconditionally released and discharged, and no further action by such Guarantor, the Company or the Trustee shall be required for the release of such Guarantor's Note Guarantee, upon:

(1) (A) a sale or disposition (including by way of consolidation, merger or amalgamation) of all or a portion of the Capital Stock of such Guarantor following which such Guarantor is no longer a Subsidiary of the Company;

(B) a sale or disposition (including by way of consolidation, merger or amalgamation) of all or substantially all of the assets of such Guarantor to a Person that is not the Company or a Restricted Subsidiary of the Company;

(C) the Company's exercise of its Legal Defeasance option or Covenant Defeasance option in accordance with Article 8 or the discharge of the Company's obligations under this Indenture in accordance with the terms of this Indenture;

(D) the Designation of such Guarantor as an Unrestricted Subsidiary; or

(E) pursuant to the terms of the Deed of Guarantee, security or a guarantee of the Company's obligations under this Indenture which is acceptable to the Security and Intercreditor Agent being provided in substitution for such Note Guarantee;

(F) the release or discharge of such other guarantee that resulted in the creation of such Note Guarantee, except a discharge or release by or as a result of payment under such guarantee (it being understood that a release subject to a contingent reinstatement will constitute a release for the purposes of this provision, and if any such guarantee is so reinstated, such guarantee shall also be reinstated to the extent that such Guarantor would then be required to provide a Note Guarantee pursuant to Section 4.11); or

(G) the liquidation or dissolution of such Guarantor; *provided* that no Event of Default occurs as a result thereof or has occurred or is continuing;

provided, that the transaction is carried out pursuant to, and in accordance with, all other applicable provisions of this Indenture; and

(2) such Guarantor delivering to the Trustee and the Security and Intercreditor Agent an Officer's Certificate and Opinion of Counsel stating that all conditions precedent provided for in this Indenture and the Deed of Guarantee relating to such transaction have been complied with.

(b) At the written request of the Company and upon receipt of the items described in Section 10.06(a)(2) above, the Trustee and the

Security and Intercreditor Agent shall execute and deliver any documents reasonably requested in order to evidence such release, discharge and termination in respect of the applicable Note Guarantee.

ARTICLE 11

COLLATERAL

Section 11.01 Security Documents.

(a) *Security Documents*. In order to secure the due and punctual payment of the Notes and any other Parity Lien Obligations, the Company, the Guarantors, the Security and Intercreditor Agent, the Trustee and the other parties thereto have entered into the Security Documents. In the event of a conflict or inconsistency between the terms of this Indenture and the Security Documents, the Security Documents shall control.

(b) *Intercreditor Agreements*. The Trustee and the Security and Intercreditor Agent bound by the terms of the Intercreditor Agreements and each Holder of a Note, by accepting such Note or beneficial interest therein, agrees to all the terms and provisions of the Intercreditor Agreements and the other Security Documents. Notwithstanding anything to the contrary, (i) the liens and security interests granted to the Security and Intercreditor Agent pursuant to the Security Documents and all rights and obligations of the Trustee and Security and Intercreditor Agent hereunder are expressly subject to the Intercreditor Agreements and (ii) the exercise of any right or remedy by the Trustee hereunder is subject to the limitation and provisions of the Intercreditor Agreements. In the event of any conflict or inconsistency between the terms of the Intercreditor Agreements and the terms of this Indenture, the terms of the Intercreditor Agreements shall govern.

Section 11.02 Release of Collateral.

(a) Pursuant to the terms of the Charge over Shares and the KEL Intercreditor Agreement, should the Security and Intercreditor Agent be satisfied that:

(1) all obligations secured by the Charge over Shares have been irrevocably paid or discharged in full, this Indenture and the Corporate Revolver have been terminated and there are no further actual or contingent obligations to make advances to or provide financial accommodation to the Company or any other person under this Indenture and the Corporate Revolver;

(2) security or a guarantee for the obligations secured by the Charge over Shares, in each case acceptable to the Security and Intercreditor Agent, has been provided for in substitution to the Charge over Shares; or

(3) the Company has entered into legally binding arrangements to transfer all or part of the collateral to a permitted transferee (as provided for in the Charge over Shares) and such permitted transferee has entered into legally binding arrangements with the Security and Intercreditor Agent to grant to the Security and Intercreditor Agent security over all or such part of the collateral (as the case may be) on substantially the same terms as those contained in the Charge over Shares,

then, the Security and Intercreditor Agent shall, at the request and cost of the Company and subject to the provisions of the Charge over Shares, execute such deeds and do all such acts and things as may be necessary to release the Collateral from the Charge over Shares.

(b) Any release of Collateral permitted by this Section 11.02 shall be deemed not to impair the remaining Liens under this Indenture and the Security Documents in contravention thereof.

Section 11.03 Form and Sufficiency of Release.

In the event that either the Company has sold, exchanged, or otherwise disposed of or proposes to sell, exchange or otherwise dispose of any portion of the Collateral that, under the terms of this Indenture may be sold, exchanged or otherwise disposed of by the Company, and the Company requests the Trustee in writing to furnish a written disclaimer, release or quitclaim of any interest in such property under this Indenture, the applicable Note Guarantee and the Security Documents, upon receipt of an Officer's Certificate and Opinion of Counsel to the effect that such release complies with Section 11.02 and specifying the provision in Section 11.02 pursuant to which such release is being made (upon which the Trustee may exclusively and conclusively rely), the Trustee shall execute, acknowledge and deliver to the Issuer (or instruct the Security and Intercreditor Agent to do the same) such an instrument in the form

provided by the Company, and providing for release without recourse and shall take such other action as the Company may reasonably request and as necessary to effect such release.

Section 11.04 Security and Intercreditor Agent; Intercreditor Agreements.

The Trustee and each of the Holders by acceptance of the Notes hereby acknowledge the appointment of the Security and Intercreditor Agent under the Security Documents and agree that the Security and Intercreditor Agent shall have the rights, duties and responsibilities as set forth in the Security Documents. On the Issue Date, the Trustee is hereby authorized and directed to enter into the KEL Intercreditor Agreement, the KEFI Intercreditor Accession Agreement, the Deed of Guarantee Accession Agreement and the Charge over Shares Accession Agreement.

The Trustee, as the KEFI HY Noteholder Trustee, shall not be required to exercise any discretion or take any action under the KEFI Intercreditor Agreement, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) solely upon the instructions of the Trustee who shall act upon the instructions and directions of holders of a majority in outstanding principal amount of the Notes, and such instructions shall be binding upon all KEFI HY Noteholders; provided, however, that the Trustee, as the KEFI HY Noteholder Trustee, shall not be required to

take any action that (i) it in good faith believes exposes it to personal liability unless it receives an indemnification satisfactory to it from the applicable KEFI HY Noteholders with respect to such action or (ii) is contrary to this Agreement or applicable law. In the absence of any such direction, the Trustee, as the KEFI HY Noteholder Trustee, will have no duty or obligation to take any action under the KEFI Intercreditor Agreement. In addition, the Trustee shall not be charged with notice of any shortfalls, discharges, defaults, accelerations or other events under the Facility, the Corporate Revolver or any other document or agreement referenced in the KEFI Intercreditor Agreement unless Responsible Officer of the Trustee shall have received written notice thereof at the applicable Corporate Trust Office.

The Trustee, as the KEL HY Noteholder Trustee, shall not be required to exercise any discretion or take any action under the KEL Intercreditor Agreement, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) solely upon the instructions of the Trustee who shall act upon the instructions and directions of holders of a majority in outstanding principal amount of the Notes, and such instructions shall be binding upon all KEL HY Noteholders; provided, however, that the Trustee, as the KEL HY Noteholder Trustee, shall not be required to take any action that (i) it in good faith believes exposes it to personal liability unless it receives an indemnification satisfactory to it from the applicable KEL HY Noteholders with respect to such action or (ii) is contrary to this Agreement or applicable law. In the absence of any such direction, the Trustee, as the KEL HY Noteholder Trustee, will have no duty or obligation to take any action under the KEL Intercreditor Agreement. In addition, the Trustee shall not be charged with notice of any shortfalls, discharges, defaults, accelerations or other events under the Facility, the Corporate Revolver or any other document or agreement referenced in the KEL Intercreditor Agreement unless a Responsible Officer of the Trustee shall have received written notice thereof at the applicable Corporate Trust Office.

Notwithstanding anything contained herein to the contrary, it is expressly understood and agreed by the parties hereto that the KEFI Intercreditor Accession Agreement has been signed by Wilmington Trust, National Association, not in its individual capacity or personally but solely in its capacity as KEFI HY Noteholder Trustee for the benefit of the KEFI HY Noteholders, in the exercise of the powers and authority conferred and vested in it under the Indenture, and in no event shall Wilmington Trust, National Association, in its individual capacity, have any liability for the representations, warranties, covenants, agreements or other obligations of any Person under the KEFI Intercreditor Agreement, the KEFI Intercreditor Accession Agreement, any Finance Document or in any of the certificates, reports, documents, data, notices or agreements delivered pursuant hereto or thereto. The KEFI HY Noteholder Trustee makes

no representations or warranties as to nor assumes any responsibility for the correctness of the recitals contained in the KEFI Intercreditor Agreement, and the KEFI HY Noteholder Trustee shall not be responsible or accountable in any way whatsoever for or with respect to the validity, execution or sufficiency of the KEFI Intercreditor Agreement or the KEFI Intercreditor Accession Agreement and makes no representation with respect thereto. In entering into the KEFI Intercreditor Accession Agreement, the KEFI HY Noteholder Trustee shall be entitled to the benefit of every provision of the Indenture relating to the rights, exculpations or conduct of, affecting the liability of or otherwise affording protection to the “Trustee” thereunder.

Notwithstanding anything contained herein to the contrary, it is expressly understood and agreed by the parties hereto that the KEL Intercreditor Agreement has been signed by Wilmington Trust, National Association, not in its individual capacity or personally but solely in its capacity as KEL HY Noteholder Trustee for the benefit of the KEL HY Noteholders, in the exercise of the powers and authority conferred and vested in it under the Indenture, and in no event shall Wilmington Trust, National Association, in its individual capacity, have any liability for the representations, warranties, covenants, agreements or other obligations of any Person under the KEL Intercreditor Agreement, any Finance Document or in any of the certificates, reports, documents, data, notices or agreements delivered pursuant hereto or thereto. The KEL HY Noteholder Trustee makes no representations or warranties as to nor assumes any responsibility for the correctness of the recitals contained in the KEL Intercreditor Agreement, and the KEL HY Noteholder Trustee shall not be responsible or accountable in any way whatsoever for or with respect to the validity, execution or sufficiency of the KEL Intercreditor Agreement and makes no representation with respect thereto. In entering into the KEL Intercreditor Agreement, the KEL HY Noteholder Trustee shall be entitled to the benefit of every provision of the Indenture relating to the rights, exculpations or conduct of, affecting the liability of or otherwise affording protection to the “Trustee” thereunder.

Neither the KEFI HY Noteholder Trustee nor any of its Affiliates, directors, officers, managers, employees, advisors, counsel, agents or attorneys-in-fact shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with the KEFI Intercreditor Agreement, the KEFI Intercreditor Accession Agreement or any Finance Document, or any certificate, financial statement or other document furnished at any time under or in connection with the KEFI Intercreditor Agreement or any other Financing Document, (ii) the performance or observance of any of the terms, covenants or agreements of any obligor in the KEFI Intercreditor Agreement or any other Financing Document, (iii) the validity, effectiveness, genuineness, value, enforceability or sufficiency of the KEFI Intercreditor Agreement or any other Financing Document, or any other instrument or writing furnished in connection herewith or therewith or (iv) the attachment, perfection or priority of any security interest created or purported to be created under or in connection with any Financing Document. Without limiting the generality of the foregoing, in the absence of its own gross negligence or willful misconduct, neither the KEFI HY Noteholder Trustee nor any of its Affiliates, directors, officers, managers, employees, advisors, counsel, agents or attorneys-in-fact shall be responsible to any Person for any mistake, omission or error of judgment with respect to the value or valuation, genuineness, enforceability, existence, perfection or priority of any of the Collateral, the determination of the fair market value of any Collateral, or any other matters determined hereunder or under the other Financing Documents. Neither the KEL HY Noteholder Trustee nor any of its Affiliates, directors, officers, managers, employees, advisors, counsel, agents or attorneys-in-fact shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with the KEL Intercreditor Agreement or any Finance Document, or any certificate, financial statement or other document furnished at any time under or in connection with the KEL Intercreditor Agreement or any other Financing Document, (ii) the performance or observance of any of the terms, covenants or agreements of any obligor in the KEL Intercreditor Agreement or any other Financing Document, (iii) the validity, effectiveness, genuineness, value, enforceability or sufficiency of the KEL Intercreditor Agreement or any other Financing Document, or any other instrument or writing furnished in connection herewith or therewith or (iv) the attachment,

perfection or priority of any security interest created or purported to be created under or in connection with any Financing Document. Without limiting the generality of the foregoing, in the absence of its own gross negligence or willful misconduct, neither the KEL HY Noteholder Trustee nor any of its Affiliates, directors, officers, managers, employees, advisors, counsel, agents or attorneys-in-fact shall be responsible to any Person for any mistake, omission or error of judgment with respect to the value or valuation, genuineness, enforceability, existence, perfection or priority of any of the Collateral, the determination of

the fair market value of any Collateral, or any other matters determined hereunder or under the other Financing Documents.

The Trustee, shall not be required to exercise any discretion or take any action under the Deed of Guarantee or the Charge over Shares, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) solely upon the instructions of the Trustee who shall act upon the instructions and directions of holders of a majority in outstanding principal amount of the Notes, and such instructions shall be binding upon all Holders; provided, however, that the Trustee, shall not be required to take any action that (i) it in good faith believes exposes it to personal liability unless it receives an indemnification satisfactory to it from the applicable Holders with respect to such action or (ii) is contrary to this Agreement or applicable law. In the absence of any such direction, the Trustee, will have no duty or obligation to take any action under the Deed of Guarantee or the Charge over Shares. In addition, the Trustee shall not be charged with notice of any shortfalls, discharges, defaults, accelerations or other events under the Facility, the Corporate Revolver or any other document or agreement referenced in the Deed of Guarantee or the Charge over Shares unless a Responsible Officer of the Trustee shall have received written notice thereof at the applicable Corporate Trust Office.

Notwithstanding anything contained herein to the contrary, it is expressly understood and agreed by the parties hereto that the Deed of Guarantee Accession Agreement and Charge over Shares Accession Agreement have been signed by Wilmington Trust, National Association, not in its individual capacity or personally but solely in its capacity as Trustee for the benefit of the Holders, in the exercise of the powers and authority conferred and vested in it under the Indenture, and in no event shall Wilmington Trust, National Association, in its individual capacity, have any liability for the representations, warranties, covenants, agreements or other obligations of any Person under the Deed of Guarantee, the Charge over Shares, any Finance Document or in any of the certificates, reports, documents, data, notices or agreements delivered pursuant hereto or thereto. The Trustee makes no representations or warranties as to nor assumes any responsibility for the correctness of the recitals contained in the Deed of Guarantee or the Charge of Shares, and the Trustee shall not be responsible or accountable in any way whatsoever for or with respect to the validity, execution or sufficiency of the Deed of Guarantee Accession Agreement, the Charge over Shares Accession Agreement, the Deed of Guarantee or the Charge over Shares and makes no representation with respect thereto. In entering into the Deed of Guarantee Accession Agreement and the Charge over Shares Accession Agreement, the Trustee shall be entitled to the benefit of every provision of this Indenture relating to the rights, exculpations or conduct of, affecting the liability of or otherwise affording protection to the "Trustee" hereunder.

Neither the Trustee nor any of its Affiliates, directors, officers, managers, employees, advisors, counsel, agents or attorneys-in-fact shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with the Deed of Guarantee, the Charge over Shares or any Finance Document , or any certificate, financial statement or other document furnished at any time under or in connection with the Deed of Guarantee, the Charge over Shares or any other Financing Document, (ii) the performance or observance of any of the terms, covenants or agreements of any obligor in the Deed of Guarantee, the Charge over Shares or any other Financing Document, (iii) the validity, effectiveness, genuineness, value, enforceability or sufficiency of the Deed of Guarantee, the Charge over Shares or any other Financing Document, or any other instrument or writing furnished in connection herewith or therewith or (iv) the attachment, perfection or priority of any security

interest created or purported to be created under or in connection with any Financing Document. Without limiting the generality of the foregoing, in the absence of its own gross negligence or willful misconduct, neither the Trustee nor any of its Affiliates, directors, officers, managers, employees, advisors, counsel, agents or attorneys-in-fact shall be responsible to any Person for any mistake, omission or error of judgment with respect to the value or valuation, genuineness, enforceability, existence, perfection or priority of any of the Collateral, the determination of the fair market value of any Collateral, or any other matters determined hereunder or under the other Financing Documents.

ARTICLE 12

SUBORDINATION OF NOTE GUARANTEES

Section 12.01 Agreement to Subordinate.

Each Guarantor agrees, and each Holder by accepting a Note agrees, that the Obligations of such Guarantor under its Note Guarantee are subordinated in right of payment, to the extent and in the manner provided in the Security Documents.

ARTICLE 13

SATISFACTION AND DISCHARGE

Section 13.01 Satisfaction and Discharge.

(a) This Indenture will be discharged, and will cease to be of further effect as to all Notes, when:

(1) (A) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Company, have been delivered to the Registrar for cancellation; or

(B) all Notes that have not been delivered to the Registrar for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of a redemption by the Trustee and, in each case, the Company has irrevocably deposited or caused to be deposited with the Paying Agent as funds in trust solely for the benefit of the holders of the Notes, U.S. dollars or U.S. Government Obligations, in amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire Debt on the Notes not delivered to the Registrar for cancellation for principal, premium and Additional Amounts, if any, and accrued interest to the date of maturity or redemption;

(2) no Event of Default has occurred and will continue after the date of the deposit or will occur as a result of the deposit and the deposit will not result in a breach or violation of, or constitute a default under, any other material instrument to which the Company or any Restricted Subsidiary is a party or by which the Company or any Restricted Subsidiary is bound;

(3) the Company or any Restricted Subsidiary has paid or caused to be paid all other sums payable by it under this Indenture; and

(4) the Company has delivered irrevocable instructions to the Paying Agent under this Indenture to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

(b) In addition, the Company shall deliver to the Trustee and Paying Agent an Officer's Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions) each stating that all conditions precedent to satisfaction and discharge have been satisfied.

Section 13.02 Application of Trust Money.

(a) Subject to the provisions of Section 8.06, all money deposited with the Trustee pursuant to Section 13.01 shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal, premium, if any, and interest for whose payment such money has been deposited with the Trustee, but such money need not be segregated from other funds except to the extent required by law.

(b) If the Trustee or Paying Agent is unable to apply any money or Government Securities in accordance with Section 13.01 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's and any Guarantor's obligations under this Indenture, the Notes and the Note Guarantees shall be revived and reinstated as though no deposit had occurred pursuant to Section 13.01; *provided* that if the Company has made any payment of principal, premium, if any, or interest on any Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or Government Securities held by the Trustee or Paying Agent, as the case may be.

ARTICLE 14

MISCELLANEOUS

Section 14.01 [Reserved].

Section 14.02 Notices.

(a) Any notice or communication to the Company, any Guarantor or the Trustee is duly given if in writing and (1) delivered in person, (2) mailed by first-class mail (certified or registered, return receipt requested), postage prepaid, or overnight air courier guaranteeing next day delivery or (3) sent by facsimile or electronic transmission (*provided* that, with respect to the Trustee, such electronic transmission shall be in the form of a pdf file of a document executed by the required Person) , to its address:

if to the Company or any Guarantor:

c/o Kosmos Energy, LLC
8176 Park Lane, Suite 500
Dallas, TX 75231
Fax No.: (214) 445-9705
Email: jdoughty@kosmosenergy.com
Attention: General Counsel

with a copy to:
Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, NY 10017
Fax No: (212) 701-5658
Email: byron.rooney@davispolk.com
Attention: Byron B. Rooney, Esq.

if to the Trustee, Paying Agent, Transfer Agent or Registrar:

(a) for the purposes of presentment of the Notes for final payment thereon,

Wilmington Trust, National Association
c/o Wilmington Trust Company
1100 North Market Street
Wilmington, DE 19801
Attn: Workflow Management

and (b) for all other purposes,

Wilmington Trust, National Association
Corporate Capital Markets
50 South Sixth Street, Suite 1290
Minneapolis, MN 55402
Fax No.: (612) 217-5651
Attention: Kosmos Energy Ltd.

and

if to the Luxembourg Listing Agent, Luxembourg Paying Agent or Luxembourg Transfer Agent:

Banque Internationale à Luxembourg S.A.
69 route d'Esch
L-2953 Luxembourg

Attention: Transaction Execution Group
Tel. No.: +352 4590 4227
Fax No.: +352 4590 3000
Email: paying.agency@bil.com

The Company, any Guarantor, the Trustee, Paying Agent, Transfer Agent, Registrar, Luxembourg Listing Agent, Luxembourg Paying Agent or Luxembourg Transfer Agent, by like notice, may designate additional or different addresses for subsequent notices or communications.

(b) Notices will be deemed to have been given on the date of mailing or of publication as aforesaid or, if published on different dates, on the date of the first such publication; *provided* that any notice or communication delivered to the Trustee shall be deemed effective upon actual receipt thereof.

(c) Any notice or communication to a Holder shall be mailed by first-class mail (certified or registered, return receipt requested) or by overnight air courier guaranteeing next day delivery to its address shown on the Note Register or by such other delivery system as the Trustee agrees to accept. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

(d) From and after the date the Notes are listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market and so long as it is required by the rules of such exchange, all notices to holders of the Notes will be published by the Company in English:

(1) in a leading newspaper having a general circulation in Luxembourg (which currently is expected to be *d'Wort*);

(2) if such Luxembourg publication is not practicable, in one other leading English language newspaper being published on each day in morning editions, whether or not it will be published in Saturday, Sunday or holiday editions;

(3) on the website of the Luxembourg Stock Exchange at www.bourse.lu/notices; or

(4) in any other manner required or permitted by the rules of the Luxembourg Stock Exchange.

(e) Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

(f) Notwithstanding any other provision herein, where this Indenture provides for notice of any event to any Holder of an interest in a Global Note (whether by mail or otherwise), such notice shall be sufficiently given if given to the Depositary for such Note (or its designee), according to the applicable procedures of such Depositary, if any, prescribed for the giving of such notice.

(g) The Trustee agrees to accept and act upon notice, instructions or directions pursuant to this Indenture sent by unsecured facsimile or electronic transmission; *provided*, *however*, that (1) the party providing such written notice, instructions or directions, subsequent to such transmission of written instructions, shall provide the originally executed instructions or directions to the Trustee in a timely manner, and (2) such originally executed notice, instructions or directions shall be signed by an authorized representative of the party providing such notice, instructions or directions. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reasonable reliance upon and compliance with such notice, instructions or directions notwithstanding such notice, instructions or directions conflict or are inconsistent with a subsequent notice, instructions or directions.

(h) If a notice or communication is sent in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

(i) If the Company mails a notice or communication to Holders, it shall mail a copy to the Trustee and each Agent at the same time.

Section 14.03 [Reserved].

Section 14.04 Certificate and Opinion as to Conditions Precedent.

Upon any request or application by the Company or any Guarantor to the Trustee to take any action under this Indenture, the Company or such Guarantor, as the case may be, shall furnish to the Trustee:

(1) an Officer's Certificate in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 14.05) stating that, in the opinion of the signer, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(2) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 14.05) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been complied with; *provided* that (A) subject to Section 5.01(c), no Opinion of Counsel shall be required in connection with the addition of a Guarantor under this Indenture upon execution and delivery by such Guarantor and the Trustee of a supplemental indenture to this Indenture, the form of which is attached as Exhibit C and (B) no Opinion of Counsel pursuant to this Section shall be required in connection with the issuance of Notes on the Issue Date.

Section 14.05 Statements Required in Certificate or Opinion.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to Section 4.07) shall include:

(1) a statement that the Person making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with (and, in the case of an Opinion of Counsel, may be limited to reliance on an Officer's Certificate as to matters of fact); and

(4) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with.

Section 14.06 Currency Indemnity

(a) U.S. dollars are the sole currency of account and payment for all sums payable by the Company or the Guarantors under or in connection with the Notes, this Indenture and the guarantees, including damages. Any amount received or recovered in a currency other than U.S. dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Company or any of the Guarantors or otherwise) by any holder of a Note in respect of any sum expressed to be due to it from the Company or the Guarantors will only constitute a discharge to the Company or the Guarantors, as the case may be, to the extent of the U.S. dollar amount which the

recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that U.S. dollar amount is less than the U.S. dollar amount expressed to be due to the recipient under any Note, the Company will indemnify such holder against any loss sustained by it as a result; and if the amount of U.S. dollars so purchased is greater than the sum originally due to such holder, such holder will promptly remit such excess to the Paying Agent who will in turn remit such amount to the Company. In any event, the Company will indemnify the recipient against the cost of making any such purchase.

(b) For the purposes of the preceding subsection, it will be sufficient for the holder of a Note to certify in a satisfactory manner (indicating the sources of information used) that it would have suffered a loss had an actual purchase of U.S. dollars been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of U.S. dollars on such date had not been practicable, on the first date on which it would have been practicable, it being required that the need for a change of date be certified in the manner mentioned above). These indemnities constitute a separate and independent obligation from the other obligations of the Company and the Guarantors, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by any holder of a Note and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note.

Section 14.07 Consent to Jurisdiction and Service; Waiver of Immunities.In relation to any legal action or proceedings arising out of or in connection with this Indenture, the Notes and the Guarantees, the Issuer and each Guarantor hereby irrevocably submit to the non-exclusive jurisdiction of the U.S. federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States of America. The Company and each of the Guarantors hereby irrevocably designates and appoints Kosmos Energy, LLC as its agent for service of process in any such action.

To the extent that the Company or any Guarantor has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process with respect to itself or its property, it hereby irrevocably waives such immunity in respect of its obligations under each of this Indenture, the Notes, the Guarantees and the Security Documents. In addition, the Company and each Guarantor irrevocably waives and agrees not to assert, by way of motion, as a defense, or otherwise in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of the above-mentioned courts for any reason whatsoever, that such suit, action or proceeding is brought in an inconvenient forum or that the venue for such suit is improper, or that this Indenture, the Notes, the Guarantees or the Security Documents or the subject matter hereof or thereof may not be enforced in such courts.

The Company and the Guarantors agree that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section 14.07 shall affect the right of the Trustee to serve legal process in any other manner permitted by law or affect the right of the Trustee to bring any action or proceeding against the Issuer or any Guarantor or its property in the courts of any other jurisdictions.

Section 14.08 Rules by Trustee and Agents.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar, Transfer Agent or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 14.09 No Personal Liability of Directors, Officers, Employees, Members, Partners and Stockholders.

No past, present or future director, officer, employee, incorporator, member, partner or stockholder of the Company or any Guarantor, as such, shall have any liability for any obligations of the Company or any Guarantor (other than the Company in respect of the Notes and each Guarantor in respect of its Note Guarantee) under the Notes, the Note Guarantees or this Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation.

Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

Section 14.10 Governing Law.

THIS INDENTURE AND THE NOTES WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK..

Section 14.11 Waiver of Jury Trial.

EACH OF THE COMPANY, THE GUARANTORS AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES, THE NOTE GUARANTEES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 14.12 Force Majeure.

In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused by, directly or indirectly, forces beyond its reasonable control, including without limitation strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software or hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 14.13 No Adverse Interpretation of Other Agreements.

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Company or its Restricted Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 14.14 Successors.

All agreements of the Company in this Indenture and the Notes shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors. All agreements of each Guarantor in this Indenture shall bind its successors, except as otherwise provided in Section 11.06.

Section 14.15 Severability.

In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 14.16 Counterpart Originals.

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

Section 14.17 Table of Contents, Headings, etc.

The Table of Contents, Cross-Reference Table and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

Section 14.18 Facsimile and PDF Delivery of Signature Pages.

The exchange of copies of this Indenture and of signature pages by facsimile or portable document format ("*PDF*") transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

Section 14.19 U.S.A. PATRIOT Act.

The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. PATRIOT Act, the Trustee is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. PATRIOT Act.

Section 14.20 Payments Due on Non-Business Days.

In any case where any Interest Payment Date, redemption date or repurchase date or the Stated Maturity of the Notes shall not be a Business Day, then (notwithstanding any other provision of this Indenture or of the Notes) payment of principal, premium, if any, or interest on the Notes need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the Interest Payment Date, redemption date or repurchase date, or at the Stated Maturity of the Notes, *provided* that no interest will accrue for the period from and after such Interest Payment Date, redemption date, repurchase date or Stated Maturity, as the case may be.

Section 14.21 Accounting Provisions.

Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with U.S. GAAP, as in effect from time to time; *provided* that in the event that any Accounting Change occurs and such change would result in a change in the method of calculation of covenants, standards or terms as determined in good faith by the Company, then at the Company's election, upon written notice of the Company to the Trustee, such covenants, standards or terms shall be calculated prior to giving effect to such Accounting Change as if such Accounting Change had not occurred.

[*Signatures on following page*]

KOSMOS ENERGY LTD.

By: /s/ W. Greg Dunlevy
Name: W. Greg Dunlevy
Title: Chief Financial Officer and Executive Vice President

KOSMOS ENERGY OPERATING

By: /s/ W. Greg Dunlevy
Name: W. Greg Dunlevy
Title: Director

KOSMOS ENERGY INTERNATIONAL

By: /s/ W. Greg Dunlevy
Name: W. Greg Dunlevy
Title: Director

KOSMOS ENERGY DEVELOPMENT

By: /s/ W. Greg Dunlevy
Name: W. Greg Dunlevy
Title: Director

KOSMOS ENERGY GHANA HC

By: /s/ W. Greg Dunlevy
Name: W. Greg Dunlevy
Title: Director

KOSMOS ENERGY FINANCE INTERNATIONAL

By: /s/ W. Greg Dunlevy
Name: W. Greg Dunlevy
Title: Director

[*Signature page to Indenture for 7.875% Senior Secured Notes due 2021*]

WILMINGTON TRUST, NATIONAL ASSOCIATION, AS TRUSTEE

By: /s/ Hallie E. Field
Name: Hallie E. Field
Title: Banking Officer

[*Signature page to Indenture for 7.875% Senior Secured Notes due 2021*]

BANQUE INTERNATIONALE À LUXEMBOURG S.A., AS LUXEMBOURG LISTING AGENT, LUXEMBOURG PAYING AGENT AND LUXEMBOURG TRANSFER AGENT

By: /s/ Jean-Jacques Kinnen /s/ Biagio Grasso
Name: Jean-Jacques Kinnen Biagio Grasso
Title: Senior Manager

[*Signature page to Indenture for 7.875% Senior Secured Notes due 2021*]

APPENDIX A

PROVISIONS RELATING TO INITIAL NOTES AND
ADDITIONAL NOTES

Section 1.1 Definitions.

(a) Capitalized Terms.

Capitalized terms used but not defined in this Appendix A have the meanings given to them in this Indenture. The following capitalized terms have the following meanings:

"*Applicable Procedures*" means, with respect to any transfer or transaction involving a Global Note or beneficial interest therein, the rules and procedures of the Depositary for such Global Note, Euroclear or Clearstream, in each case to the extent applicable to such transaction and as in effect from time to time.

"*Clearstream*" means Clearstream Banking, Société Anonyme, or any successor securities clearing agency.

"*Distribution Compliance Period*," with respect to any Note, means the period of 40 consecutive days beginning on and including the later of (a) the day on which such Note is first offered to persons other than distributors (as defined in Regulation S) in reliance on Regulation S, notice of which day shall be promptly given by the Company to the Trustee, and (b) the date of issuance with respect to such Note or any predecessor of such Note.

"*Euroclear*" means Euroclear Bank S.A./N.Y., as operator of Euroclear systems Clearance System or any successor securities clearing agency.

"*IAI*" means an institution that is an "accredited investor" as described in Rule 501(a)(1), (2), (3) or (7) under the Securities Act and is not a QIB.

"*QIB*" means a "qualified institutional buyer" as defined in Rule 144A.

"*Regulation S*" means Regulation S promulgated under the Securities Act.

"*Rule 144*" means Rule 144 promulgated under the Securities Act.

"*Rule 144A*" means Rule 144A promulgated under the Securities Act.

"*Unrestricted Global Note*" means any Note in global form that does not bear or is not required to bear the Restricted Notes Legend.

"*U.S. person*" means a "U.S. person" as defined in Regulation S.

(b) Other Definitions.

Term:	**Defined in Section:**
"*Agent Members*"	2.1(c)
"*Definitive Notes Legend*"	2.2(e)

Term:	Defined in Section:
"*ERISA Legend*"	2.2(e)
"*Global Note*"	2.1(b)
"*Global Notes Legend*"	2.2(e)
"*IAI Global Note*"	2.1(b)
"*Regulation S Global Note*"	2.1(b)
"*Regulation S Notes*"	2.1(a)
"*Restricted Notes Legend*"	2.2(e)
"*Rule 144A Global Note*"	2.1(b)
"*Rule 144A Notes*"	2.1(a)

Section 2.1 Form and Dating

(a) The Initial Notes issued on the date hereof shall be (i) offered and sold by the Company to the initial purchasers thereof and (ii) resold, initially only to (1) QIBs in reliance on Rule 144A ("*Rule 144A Notes*") and (2) Persons other than U.S. persons in reliance on Regulation S ("*Regulation S Notes*"). Additional Notes may also be considered to be Rule 144A Notes or Regulation S Notes, as applicable.

(b) *Global Notes*. Rule 144A Notes shall be issued initially in the form of one or more permanent global Notes in definitive, fully registered form, numbered RA-1 upward (collectively, the "*Rule 144A Global Note*") and Regulation S Notes shall be issued initially in the form of one or more global Notes, numbered RS-1 upward (collectively, the "*Regulation S Global Note*"), in each case without interest coupons and bearing the Global Notes Legend and Restricted Notes Legend, which shall be deposited on behalf of the purchasers of the Notes represented thereby with the Custodian, and registered in the name of the Depositary or a nominee of the Depositary, duly executed by the Company and authenticated by the Trustee as provided in this Indenture. One or more global Notes in definitive, fully registered form without interest coupons and bearing the Global Notes Legend and the Restricted Notes Legend, numbered RIAI-1 upward (collectively, the "*IAI Global Note*") shall also be issued on the Issue Date, deposited with the Custodian, and registered in the name of the Depositary or a nominee of the Depositary, duly executed by the Company and authenticated by the Trustee as provided in this Indenture to accommodate transfers of beneficial interests in the Notes to IAIs subsequent to the initial distribution. The Rule 144A Global Note, the IAI Global Note, the Regulation S Global Note and any Unrestricted Global Note are each referred to herein as a "*Global Note*" and are collectively referred to herein as "*Global Notes*." Each Global Note shall represent such of the outstanding Notes as shall be specified in the "Schedule of Exchanges of Interests in the Global Note" attached thereto and each shall provide that it shall represent the aggregate principal amount of Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as applicable, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby shall be made by the Trustee or the Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06 of this Indenture and Section 2.2(c) of this Appendix A.

(c) *Book-Entry Provisions*. This Section 2.1(c) shall apply only to a Global Note deposited with or on behalf of the Depositary.

The Company shall execute and the Trustee shall, in accordance with this Section 2.1(c) and Section 2.02 of this Indenture and pursuant to an order of the Company signed by one Officer of the

Company, authenticate and deliver initially one or more Global Notes that (i) shall be registered in the name of the Depositary for such Global Note or Global Notes or the nominee of such Depositary and (ii) shall be delivered by the Trustee to such Depositary or pursuant to such Depositary's instructions or held by the Trustee as Custodian.

Members of, or participants in, the Depositary ("*Agent Members*") shall have no rights under this Indenture with respect to any Global Note held on their behalf by the Depositary or by the Trustee as Custodian or under such Global Note, and the Depositary may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and its Agent Members, the operation of customary practices of such Depositary governing the exercise of the rights of a holder of a beneficial interest in any Global Note.

(d) *Definitive Notes*. Except as provided in Section 2.2 or Section 2.3 of this Appendix A, owners of beneficial interests in Global Notes shall not be entitled to receive physical delivery of Definitive Notes.

Section 2.2 *Transfer and Exchange*.

(a) *Transfer and Exchange of Definitive Notes for Definitive Notes*. When Definitive Notes are presented to the Registrar with a request:

(i) to register the transfer of such Definitive Notes; or

(ii) to exchange such Definitive Notes for an equal principal amount of Definitive Notes of other authorized denominations,

the Registrar shall register the transfer or make the exchange as requested if its reasonable requirements for such transaction are met; *provided*, *however*, that the Definitive Notes surrendered for transfer or exchange:

(1) shall be duly endorsed or accompanied by a written instrument of transfer in form reasonably satisfactory to the Company and the Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing; and

(2) in the case of Transfer Restricted Notes, they are being transferred or exchanged pursuant to an effective registration statement under the

Securities Act or pursuant to Section 2.2(b) of this Appendix A or otherwise in accordance with the Restricted Notes Legend, and are accompanied by a certification from the transferor in the form provided on the reverse side of the Form of Note in *Exhibit A* for exchange or registration of transfers and, as applicable, delivery of such legal opinions, certifications and other information as may be requested pursuant thereto.

(b) *Restrictions on Transfer of a Definitive Note for a Beneficial Interest in a Global Note*. A Definitive Note may not be exchanged for a beneficial interest in a Global Note except upon satisfaction of the requirements set forth below. Upon receipt by the Trustee of a Definitive Note, duly endorsed or accompanied by a written instrument of transfer in form reasonably satisfactory to the Company and the Registrar, together with:

(i) a certification from the transferor in the form provided on the reverse side of the Form of Note in *Exhibit A* for exchange or registration of transfers and, as applicable, delivery of such legal opinions, certifications and other information as may be requested pursuant thereto; and

(ii) written instructions directing the Trustee to make, or to direct the Custodian to make, an adjustment on its books and records with respect to such Global Note to reflect an increase in the aggregate principal amount of the Notes represented by the Global Note, such instructions to contain information regarding the Depositary account to be credited with such increase,

the Trustee shall cancel such Definitive Note and cause, or direct the Custodian to cause, in accordance with the standing instructions and procedures existing between the Depositary and the Custodian, the aggregate principal amount of Notes represented by the Global Note to be increased by the aggregate principal amount of the Definitive Note to be exchanged and shall credit or cause to be credited to the account of the Person specified in such instructions a beneficial interest in the Global Note equal to the principal amount of the Definitive Note so canceled. If the applicable Global Note is not then outstanding, the Company shall issue and the Trustee shall authenticate, upon an Authentication Order, a new applicable Global Note in the appropriate principal amount.

(c) *Transfer and Exchange of Global Notes*.

(i) The transfer and exchange of Global Notes or beneficial interests therein shall be effected through the Depositary, in accordance with this Indenture (including applicable restrictions on transfer set forth in Section 2.2(d) of this Appendix A, if any) and the procedures of the Depositary therefor. A transferor of a beneficial interest in a Global Note shall deliver to the Registrar a written order given in accordance with the Depositary's procedures containing information regarding the participant account of the Depositary to be credited with a beneficial interest in such Global Note, or another Global Note and such account shall be credited in accordance with such order with a beneficial interest in the applicable Global Note and the account of the Person making the transfer shall be debited by an amount equal to the beneficial interest in the Global Note being transferred.

(ii) If the proposed transfer is a transfer of a beneficial interest in one Global Note to a beneficial interest in another Global Note, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Global Note to which such interest is being transferred in an amount equal to the principal amount of the interest to be so transferred, and the Registrar shall reflect on its books and records the date and a corresponding decrease in the principal amount of the Global Note from which such interest is being transferred.

(iii) Notwithstanding any other provisions of this Appendix A (other than the provisions set forth in Section 2.3 of this Appendix A), a Global Note may not be transferred except as a whole and not in part if the transfer is by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary.

(d) *Restrictions on Transfer of Global Notes; Voluntary Exchange of Interests in Transfer Restricted Global Notes for Interests in Unrestricted Global Notes*.

(i) Transfers by an owner of a beneficial interest in a Rule 144A Global Note or an IAI Global Note to a transferee who takes delivery of such interest through another Transfer Restricted Global Note shall be made in accordance with the Applicable Procedures and the Restricted Notes Legend and only upon receipt by the Trustee of a certification from the transferor in the form provided on the reverse side of the Form of Note in *Exhibit A* for exchange or registration of transfers and, as applicable, delivery of such legal opinions, certifications and other information as may be requested pursuant thereto. In

addition, in the case of a transfer of a beneficial interest in either a Regulation S Global Note or a Rule 144A Global Note for an interest in an IAI Global Note, the transferee must furnish a signed letter substantially in the form of *Exhibit B* to the Trustee.

(ii) During the Distribution Compliance Period, beneficial ownership interests in the Regulation S Global Note may only be sold, pledged or transferred through Euroclear or Clearstream in accordance with the Applicable Procedures, the Restricted Notes Legend on such Regulation S Global Note and any applicable securities laws of any state of the U.S. Prior to the expiration of the Distribution Compliance Period, transfers by an owner of a beneficial interest in the Regulation S Global Note to a transferee who takes delivery of such interest through a Rule 144A Global Note or an IAI Global Note shall be made only in accordance with the Applicable Procedures and the Restricted Notes Legend and upon receipt by the Trustee of a written certification from the transferor of the beneficial interest in the form provided on the reverse side of the Form of Note in *Exhibit A* for exchange or registration of transfers. Such written certification shall no longer be required after the expiration of the Distribution Compliance Period. Upon the expiration of the Distribution Compliance Period, beneficial ownership interests in the Regulation S Global Note shall be transferable in accordance with applicable law and the other terms of this Indenture.

(iii) Upon the expiration of the Distribution Compliance Period, beneficial interests in the Regulation S Global Note may be exchanged for beneficial interests in an Unrestricted Global Note upon certification in the form provided on the reverse side of the Form of Note in *Exhibit A* for an exchange from a Regulation S Global Note to an Unrestricted Global Note.

(iv) Beneficial interests in a Transfer Restricted Note that is a Rule 144A Global Note or an IAI Global Note may be exchanged for beneficial interests in an Unrestricted Global Note if the Holder certifies in writing to the Registrar that its request for such exchange is in respect of a transfer

made in reliance on Rule 144 (such certification to be in the form set forth on the reverse side of the Form of Note in *Exhibit A*) and/or upon delivery of such legal opinions, certifications and other information as the Company or the Trustee may reasonably request.

(v) If no Unrestricted Global Note is outstanding at the time of a transfer contemplated by the preceding clauses (iii) and (iv), the Company shall issue and the Trustee shall authenticate, upon an Authentication Order, a new Unrestricted Global Note in the appropriate principal amount.

(e) *Legends*.

(i) Except as permitted by Section 2.2(d) and this Section 2.2(e) of this Appendix A, each Note certificate evidencing the Global Notes and the Definitive Notes (and all Notes issued in exchange therefor or in substitution thereof) shall bear a legend in substantially the following form (each defined term in the legend being defined as such for purposes of the legend only) ("*Restricted Notes Legend*"):

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION. THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR

OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS [*IN THE CASE OF RULE 144A NOTES:* ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF, THE ORIGINAL ISSUE DATE OF THE ISSUANCE OF ANY ADDITIONAL NOTES AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY)] [*IN THE CASE OF REGULATION S NOTES:* 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF, THE ORIGINAL ISSUE DATE OF THE ISSUANCE OF ANY ADDITIONAL NOTES AND THE DATE ON WHICH THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S UNDER THE SECURITIES ACT) IN RELIANCE ON REGULATION S], ONLY (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (E) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT IS NOT A QUALIFIED INSTITUTIONAL BUYER AND THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF SECURITIES OF AT LEAST $250,000 OR (F) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (D), (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/ OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. [*IN THE CASE OF REGULATION S NOTES:* BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.]

Each Definitive Note shall bear the following additional legend ("*Definitive Notes Legend*"):

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH REGISTRAR AND TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

Each Global Note shall bear the following additional legend ("*Global Notes Legend*"):

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), NEW YORK, NEW YORK, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO DTC, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

Each Note shall bear the following additional legend ("*ERISA Legend*"):

BY ITS ACQUISITION OF THIS SECURITY, THE HOLDER THEREOF WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT EITHER (1) NO PORTION OF THE ASSETS USED BY SUCH HOLDER TO ACQUIRE OR HOLD THIS SECURITY CONSTITUTES THE ASSETS OF AN EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), OF A PLAN, INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") OR PROVISIONS UNDER ANY OTHER FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT ARE SIMILAR TO SUCH PROVISIONS OF ERISA OR THE CODE ("SIMILAR LAWS"), OR OF AN ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE "PLAN ASSETS" OF ANY SUCH PLAN, ACCOUNT OR ARRANGEMENT, OR (2) THE ACQUISITION AND HOLDING OF THIS SECURITY WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A SIMILAR VIOLATION UNDER ANY APPLICABLE SIMILAR LAWS.

(ii) Upon any sale or transfer of a Transfer Restricted Note that is a Definitive Note, the Registrar shall permit the Holder thereof to exchange such Transfer Restricted Note for a Definitive Note that does not bear the Restricted Notes Legend and the Definitive Notes Legend and rescind any restriction on the transfer of such Transfer Restricted Note if the Holder certifies in writing to the Registrar that its request for such exchange is in respect of a transfer made in reliance on Rule 144 (such certification to be in the form set forth on the reverse side of the Form of Note in *Exhibit A*) and provides such legal opinions, certifications and other information as the Company or the Trustee may reasonably request.

(iii) Any Additional Notes sold in a registered offering shall not be required to bear the Restricted Notes Legend.

(f) *Cancellation or Adjustment of Global Note*. At such time as all beneficial interests in a Global Note have either been exchanged for Definitive Notes, transferred in exchange for an interest in another Global Note, redeemed, repurchased or canceled, such Global Note shall be returned by the Depositary to the Trustee for cancellation or retained and canceled by the Trustee. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for Definitive Notes, transferred in exchange for an interest in another Global Note, redeemed, repurchased or canceled, the principal amount of Notes represented by such Global Note shall be reduced and an adjustment shall be made on the books and records of the Registrar (if it is then the Custodian for such Global Note) with respect to such Global Note, by the Registrar or the Custodian, to reflect such reduction.

(g) *Obligations with Respect to Transfers and Exchanges of Notes*.

(i) To permit registrations of transfers and exchanges, the Company shall execute and the Trustee shall authenticate, Definitive Notes and Global Notes at the Registrar's request.

(ii) No service charge shall be imposed in connection with any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax, assessments, or similar governmental charge payable in connection therewith (other than any such transfer taxes, assessments or similar governmental charge payable upon exchanges pursuant to Sections 2.10, 3.06, 3.09, 4.15, 4.16, 4.18 and 9.05 of this Indenture).

(iii) Prior to the due presentation for registration of transfer of any Note, the Company, the Trustee, the Paying Agent or the Registrar may deem and treat the person in whose name a Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal, premium, if any, and interest on such Note and for all other purposes whatsoever, whether or not such Note is overdue, and none of the Company, the Trustee, the Paying Agent or the Registrar shall be affected by notice to the contrary.

(iv) All Notes issued upon any transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the same benefits under this Indenture as the Notes surrendered upon such transfer or exchange.

(v) In order to effect any transfer or exchange of an interest in any Transfer Restricted Note for an interest in a Note that does not bear the Restricted Notes Legend and has not been registered under the Securities Act, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel, in form reasonably acceptable to the Registrar to the effect that no registration under the Securities Act is required in respect of such exchange or transfer or the re-sale of such interest by the beneficial holder thereof, shall be required to be delivered to the Registrar and the Trustee.

(h) *No Obligation of the Trustee*.

(i) The Trustee shall have no responsibility or obligation to any beneficial owner of a Global Note, a member of, or a participant in the Depositary or any other Person with respect to the accuracy of the records of the Depositary or its nominee or of any participant or member thereof, with respect to any ownership interest in the Notes or with respect to the delivery to any participant, member, beneficial owner or other Person (other than the Depositary) of any notice (including any notice of redemption or repurchase) or the payment of any amount, under or with respect to such Notes. All notices and communications to be given to the Holders and all payments to be made to Holders under the Notes shall be given or made only to the registered Holders (which shall be the Depositary or its nominee in the case of a Global Note). The rights of beneficial owners in any Global Note shall be exercised only through the Depositary subject to the applicable rules and procedures of the Depositary. The Trustee may

rely and shall be fully protected in relying upon information furnished by the Depositary with respect to its members, participants and any beneficial owners.

(ii) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Depositary participants, members or beneficial owners in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Section 2.3 Definitive Notes.

(a) A Global Note deposited with the Depositary or with the Trustee as Custodian pursuant to Section 2.1 may be transferred to the beneficial owners thereof in the form of Definitive Notes in an aggregate principal amount equal to the principal amount of such Global Note, in exchange for such Global Note, only if such transfer complies with Section 2.2 of this Appendix A and (i) the Depositary notifies the Company that it is unwilling or unable to continue as a Depositary for such Global Note or if at any time the Depositary ceases to be a "clearing agency" registered under the Exchange Act and, in each case, a successor depositary is not appointed by the Company within 90 days of such notice or after the Company becomes aware of such cessation, or (ii) an Event of Default has occurred and is continuing and the Registrar has received a request from the Depository or (iii) the Company, in its sole discretion and subject to the procedures of the Depository, notifies the Trustee in writing that it elects to cause the issuance of Definitive Notes under this Indenture. In addition, any Affiliate of the Company or any Guarantor that is a beneficial owner of all or part of a Global Note may have such Affiliate's beneficial interest transferred to such Affiliate in the form of a Definitive Note by providing a written request to the Company and the Trustee and such Opinions of Counsel, certificates or other information as may be required by this Indenture or the Company or Trustee.

(b) Any Global Note that is transferable to the beneficial owners thereof pursuant to this Section 2.3 shall be surrendered by the Depositary to the Trustee, to be so transferred, in whole or from time to time in part, without charge, and the Trustee shall authenticate and deliver, upon such transfer of each portion of such Global Note, an equal aggregate principal amount of Definitive Notes of authorized denominations. Any portion of a Global Note transferred pursuant to this Section 2.3 shall be executed, authenticated and delivered only in denominations of $200,000 and integral multiples of $1,000 in excess thereof and registered in such names as the Depositary shall direct. Any Definitive Note delivered in exchange for an interest in a Global Note that is a Transfer Restricted Note shall, except as otherwise provided by Section 2.2(e) of this Appendix A, bear the Restricted Notes Legend.

(c) The registered Holder of a Global Note may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a Holder is entitled to take under this Indenture or the Notes.

(d) In the event of the occurrence of any of the events specified in Section 2.3(a) of this Appendix A, the Company shall promptly make available to the Trustee a reasonable supply of Definitive Notes in fully registered form without interest coupons.

EXHIBIT A

[FORM OF FACE OF NOTE]

[Insert the Restricted Notes Legend, if applicable, pursuant to the provisions of the Indenture]

[Insert the Global Notes Legend, if applicable, pursuant to the provisions of the Indenture]

[Insert the Definitive Notes Legend, if applicable, pursuant to the provisions of the Indenture]

[Insert the ERISA Legend, if applicable, pursuant to the provisions of the Indenture.]

CUSIP [ ]
ISIN [ ](1)

[RULE 144A][REGULATION S][IAI][GLOBAL] NOTE

7.875% Senior Secured Notes due 2021

No. [RA-] [RS-] [RIAI-] [Up to](2) [$]

Kosmos Energy Ltd. promises to pay to [CEDE & CO.](3) [ ] or registered assigns the principal sum [set forth on the Schedule of Exchanges of Interests in the Global Note attached hereto](4) [of $ (Dollars)](5) on August 1, 2021.

Interest Payment Dates: February 1 and August 1

Record Dates: January 15 and July 15

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(1) Rule 144A Note CUSIP: [ ]
Rule 144A Note ISIN: [ ]
Regulation S Note CUSIP: [ ]
Regulation S Note ISIN: [ ]
IAI Note CUSIP: [ ]
IAI Note ISIN: [ ]

[CUSIP for Unrestricted Global Note: [ ]]

[ISIN for Unrestricted Global Note: [ ]]

(2) Include in Global Notes.

(3) Include in Global Notes

(4) Include in Global Notes

(5) Include in Definitive Notes

IN WITNESS HEREOF, the Company has caused this instrument to be duly executed.

Dated:

KOSMOS ENERGY LTD.

By: ______________________________
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Notes referred to in the within-mentioned Indenture:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

By: ______________________________
Authorized Signatory

Dated:

[Reverse Side of Note]

7.875% Senior Secured Notes due 2021

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. INTEREST. Kosmos Energy Ltd., a Bermuda exempted company (the "*Company*"), promises to pay interest on the principal amount of this Note at 7.875% per annum until but excluding maturity. The Company shall pay interest semi-annually in arrears on February 1 and August 1 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each, an "*Interest Payment Date*"). Interest on the Notes shall accrue from the most recent date to which interest has been paid or, if no interest has been paid, from and including [ ]; *provided* that the first Interest Payment Date shall be [ ] [ ]. The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at the interest rate on the Notes to the extent lawful; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the interest rate on the Notes to the extent lawful. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months. Whenever in this Note there is mentioned, in any context, the payment of amounts based upon the principal amount of the Notes or of principal, interest or of any other amount payable under, or with respect to, any of the Notes, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

2. METHOD OF PAYMENT. The Company shall pay interest on the Notes to the Persons who are registered holders of Notes at the close of business on the January 15 or July 15 (whether or not a Business Day), as the case may be, immediately preceding the related Interest Payment Date, even if such Notes are canceled after such Record Date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. Principal, premium, if any, and interest on the Notes shall be payable at the office or agency of the Company maintained for such purpose or, at the option of the Company, payment of interest and premium, if any, may be made by check mailed to the Holders at their respective addresses set forth in the Note Register; *provided* that payment by wire transfer of immediately available funds shall be required with respect to principal, premium, if any, and interest on all Global Notes and all other Notes the Holders of which shall have provided wire transfer instructions to the Company or the Paying Agent at least five Business Days prior to the applicable payment date. Such payment shall be in such coin or currency of the United States as at the time of payment is legal tender for payment of public and private debts.

3. PAYING AGENT AND REGISTRAR. Initially, Wilmington Trust, National Association, the Trustee under the Indenture, shall act as Paying Agent and Registrar. The Company may change any Paying Agent or Registrar without notice to the Holders. The Company or any of its Restricted Subsidiaries may act in any such capacity.

4. INDENTURE. The Company issued the Notes under an Indenture, dated as of August 1, 2014 (as amended or supplemented from

time to time, the "*Indenture*"), among Kosmos Energy Ltd., the Guarantors named therein and the Trustee, Paying Agent, Transfer Agent, Registrar, Luxembourg Listing Agent, Luxembourg Paying Agent and Luxembourg Transfer Agent. This Note is one of a duly authorized issue of Notes of the Company designated as its 7.875% Senior Secured Notes due 2021. The Company shall be entitled to issue Additional Notes pursuant to Section 2.01 and Section 4.09 of the Indenture. The Notes and any Additional Notes issued under the Indenture shall be treated as

a single class of securities under the Indenture. The terms of the Notes include those stated in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of such terms. Any term used in this Note that is defined in the Indenture shall have the meaning assigned to it in the Indenture. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling.

5. REDEMPTION AND REPURCHASE. The Notes are subject to optional redemption, and may be the subject of an Offer to Purchase, as further described in the Indenture. The Company shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

6. DENOMINATIONS, TRANSFER, EXCHANGE. The Notes are in registered form without coupons in denominations of $200,000 and integral multiples of $1,000 in excess thereof. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Transfer Agent may require a Holder, among other things, to furnish appropriate endorsements and transfer documents, and Holders shall be required to pay any taxes, governmental charges and fees required by law or permitted by the Indenture. The Company need not exchange or register the transfer of any Note or portion of a Note selected for redemption or tendered for repurchase in connection with a Change of Control Offer or Asset Sale Offer, except for the unredeemed portion of any Note being redeemed or repurchased in part.

7. SUBORDINATION. The Obligations of each Guarantor under its Note Guarantee are subordinated in right of payment, to the extent and in the manner provided in the Security Documents. The Company agrees, and each Holder by accepting a Note agrees, to the subordination provisions contained in the Indenture and the Security Documents and authorizes the Trustee to give it effect and appoints the Trustee as attorney-in-fact for such purpose.

8. PERSONS DEEMED OWNERS. The registered Holder of a Note may be treated as its owner for all purposes.

9. AMENDMENT, SUPPLEMENT AND WAIVER. The Indenture, the Note Guarantees or the Notes may be amended or supplemented as provided in the Indenture.

10. DEFAULTS AND REMEDIES. The Events of Default relating to the Notes are defined in Section 6.01 of the Indenture. Upon the occurrence of an Event of Default, the rights and obligations of the Company, the Guarantors, the Trustee and the Holders shall be as set forth in the applicable provisions of the Indenture.

11. AUTHENTICATION. This Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose until authenticated by the manual signature of the Trustee.

12. GOVERNING LAW. THIS NOTE WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

13. CUSIP AND ISIN NUMBERS. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP and ISIN numbers to be printed on the Notes, and the Trustee may use CUSIP and ISIN numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Company shall furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to the Company at the following address:

c/o Kosmos Energy, LLC
8176 Park Lane, Suite 500
Dallas, TX 75231
Fax No.: (214) 445-9705
Email: jdoughty@kosmosenergy.com
Attention: General Counsel

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to: ______________________________
(Insert assignee's legal name)

____

(Insert assignee's soc. sec. or tax I.D. no.)

(Print or type assignee's name, address and zip code)

and irrevocably appoint to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: ____________________

Your Signature: ____________________

(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*: ____________________

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

CERTIFICATE TO BE DELIVERED UPON EXCHANGE OR
REGISTRATION OF TRANSFERS OF TRANSFER RESTRICTED NOTES

This certificate relates to $ principal amount of Notes held in (check applicable space) book-entry or definitive form by the undersigned.

The undersigned (check one box below):

☐ has requested the Trustee by written order to deliver in exchange for its beneficial interest in a Global Note held by the Depositary a Note or Notes in definitive, registered form of authorized denominations and an aggregate principal amount equal to its beneficial interest in such Global Note (or the portion thereof indicated above) in accordance with the Indenture; or

☐ has requested the Trustee by written order to exchange or register the transfer of a Note or Notes.

In connection with any transfer of any of the Notes evidenced by this certificate, the undersigned confirms that such Notes are being transferred in accordance with its terms:

CHECK ONE BOX BELOW

(1) ☐ to the Company or subsidiary thereof; or

(2) ☐ to the Registrar for registration in the name of the Holder, without transfer; or

(3) ☐ pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "*Securities Act*"); or

(4) ☐ to a Person that the undersigned reasonably believes is a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act ("*Rule 144A*")) that purchases for its own account or for the account of a qualified institutional buyer and to whom notice is given that such transfer is being made in reliance on Rule 144A, in each case pursuant to and in compliance with Rule 144A; or

(5) ☐ pursuant to offers and sales to non-U.S. persons that occur outside the United States within the meaning of Regulation S under the Securities Act (and if the transfer is being made prior to the expiration of the Distribution Compliance Period, the Notes shall be held immediately thereafter through Euroclear or Clearstream); or

(6) ☐ to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that has furnished to the Trustee a signed letter containing certain representations and agreements; or

(7) ☐ pursuant to Rule 144 under the Securities Act; or

(8) ☐ pursuant to another available exemption from registration under the Securities Act.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any Person other than the registered Holder thereof; *provided*, *however*, that if box (5), (6), (7) or (8) is checked, the Company or the Trustee may require, prior

to registering any such transfer of the Notes, such legal opinions, certifications and other information as the Company or the Trustee has reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Your Signature

Date: __________

Signature of Signature Guarantor

TO BE COMPLETED BY PURCHASER IF (4) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated:

NOTICE: To be executed by an executive officer

Name:
Title:

Signature Guarantee*:

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

TO BE COMPLETED IF THE HOLDER REQUIRES AN EXCHANGE FROM A REGULATION S GLOBAL NOTE TO AN UNRESTRICTED GLOBAL NOTE, PURSUANT TO SECTION 2.2(d)(iii) OF APPENDIX A TO THE INDENTURE(6)

The undersigned represents and warrants that either:

☐ the undersigned is not a dealer (as defined in the Securities Act) and is a non-U.S. person (within the meaning of Regulation S under the Securities Act); or

☐ the undersigned is not a dealer (as defined in the Securities Act) and is a U.S. person (within the meaning of Regulation S under the Securities Act) who purchased interests in the Notes pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act; or

☐ the undersigned is a dealer (as defined in the Securities Act) and the interest of the undersigned in this Note does not constitute the whole or a part of an unsold allotment to or subscription by such dealer for the Notes.

Dated:

Your Signature

(6) Include only for Regulation S Global Notes.

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.15 or Section 4.16 of the Indenture, check the appropriate box below:

☐ Section 4.15 ☐ Section 4.16

If you want to elect to have only part of this Note purchased by the Company pursuant to Section 4.15 or Section 4.16 of the Indenture, state the amount you elect to have purchased:

$ (integral multiples of $1,000, *provided* that the unpurchased portion must be in a minimum principal amount of $200,000)

Date:

Your Signature:

(Sign exactly as your name appears on the face of this Note)

Tax Identification No.: ______________________

Signature Guarantee*: ______________________

____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE*

The initial outstanding principal amount of this Global Note is $. The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee, Depositary or Custodian

____

*This schedule should be included only if the Note is issued in global form.

EXHIBIT B

FORM OF
TRANSFEREE LETTER OF REPRESENTATION

Kosmos Energy Ltd.
[Address]
Fax No.: ( ) -
Email: @ .com
Attention: [ ]

Ladies and Gentlemen:

This certificate is delivered to request a transfer of $[ ] principal amount of the 7.875% Senior Secured Notes due 2021 (the "*Notes*") of Kosmos Energy Ltd. (the "*Company*").

Upon transfer, the Notes would be registered in the name of the new beneficial owner as follows:

Name:

Address:

Taxpayer ID Number:

The undersigned represents and warrants to you that:

1. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933, as amended (the "*Securities Act*")), purchasing for our own account or for the account of such an institutional "accredited investor" at least $250,000 principal amount of the Notes, and we are acquiring the Notes, for investment purposes and not with a view to, or for offer or sale in connection with, any distribution in violation of the Securities Act. We have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we invest in or purchase securities similar to the Notes in the normal course of our business. We, and any accounts for which we are acting, are each able to bear the economic risk of our or its investment.

2. We understand that the Notes have not been registered under the Securities Act and, unless so registered, may not be sold except as permitted in the following sentence. We agree on our own behalf and on behalf of any investor account for which we are purchasing Notes to offer, sell or otherwise transfer such Notes prior to the date that is one year after the later of the date of original issue and the last date on which the Company or any affiliate of the Company was the owner of such Notes (or any predecessor thereto) (the "*Resale Restriction Termination Date*") only in accordance with the Restricted Notes Legend (as such term is defined in the indenture under which the Notes were issued) on the Notes and any applicable securities laws of any state of the United

States. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. If any resale or other transfer of the Notes is proposed to be made pursuant to clause (e) above prior to the Resale Restriction Termination Date, the transferor shall deliver a letter from the transferee substantially in the form of this letter to the Company and the Trustee, which shall provide, among other things, that the transferee is an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act and that it is acquiring such Notes for investment purposes and not for distribution in violation of the Securities Act. Each purchaser acknowledges that the Company and the Trustee reserve the right prior to the offer, sale or other transfer prior to the Resale Restriction Termination Date of the Notes with respect

to applicable transfers described in the Restricted Notes Legend to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to the Company and the Trustee.

TRANSFEREE: ,

by: ______________________________

EXHIBIT C

FORM OF SUPPLEMENTAL INDENTURE
TO BE DELIVERED BY SUBSEQUENT GUARANTORS

Supplemental Indenture (this "*Supplemental Indenture*"), dated as of [ ] [ ], 20[ ], among (the "*Guaranteeing Subsidiary*"), a subsidiary of Kosmos Energy Ltd., a Bermuda company (the "*Company*"), and Wilmington Trust, National Association, as trustee (the "*Trustee*").

W I T N E S S E T H

WHEREAS, each of the Company and the Guarantors (as defined in the Indenture referred to below) has heretofore executed and delivered to the Trustee an indenture (the "*Indenture*"), dated as of August 1, 2014, providing for the issuance of an unlimited aggregate principal amount of 7.875% Senior Secured Notes due 2021 (the "*Notes*");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally Guarantee all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indenture; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee, the Company [and the Guaranteeing Subsidiary] are authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. Guarantor. The Guaranteeing Subsidiary hereby agrees to be a Guarantor under the Indenture and to be bound by the terms of the Indenture applicable to Guarantors, including Article 10 thereof.

3. Governing Law. THIS SUPPLEMENTAL INDENTURE WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

4. Waiver of Jury Trial. EACH OF THE GUARANTEEING SUBSIDIARY AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENTAL INDENTURE, THE INDENTURE, THE NOTES, THE NOTE GUARANTEES OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

5. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

6. Headings. The headings of the Sections of this Supplemental Indenture have been inserted for convenience of reference only, are not to be considered a part of this Supplemental Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

[NAME OF GUARANTEEING SUBSIDIARY]

By: ________________________________
Name:
Title:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
AS TRUSTEE

By: ________________________________
Name:
Title:

Exhibit 4.2

EXECUTION VERSION

DATED AUGUST 1, 2014

BNP PARIBAS
as Security and Intercreditor Agent

- and -

STANDARD CHARTERED BANK
as RCF Agent

- and -

WILMINGTON TRUST, NATIONAL ASSOCIATION
as HY Noteholder Trustee

- and -

KOSMOS ENERGY LTD.
as RCF Borrower

and

HY Note Issuer

KEL INTERCREDITOR AND SECURITY SHARING AGREEMENT

Slaughter and May
One Bunhill Row
London
EC1Y 8YY
(SRG/ JKW)

CONTENTS

Clause		Page
1.	DEFINITIONS AND INTERPRETATION	4
2.	RANKING AND PRIORITY	15
3.	CREDITORS AND LIABILITIES	16
4.	EFFECT OF INSOLVENCY EVENT	19
5.	TURNOVER OF RECEIPTS	20
6.	REDISTRIBUTION	22
7.	ENFORCEMENT OF TRANSACTION SECURITY	23
8.	DISPOSALS	25
9.	PERMITTED REFINANCING	29
10.	APPLICATION OF PROCEEDS	29
11.	THE SECURITY AND INTERCREDITOR AGENT	32
12.	CHANGE OF SECURITY AND INTERCREDITOR AGENT AND DELEGATION	40
13.	CHANGES TO THE PARTIES	42
14.	COSTS AND EXPENSES	43

15. INDEMNITIES 45

16. INFORMATION 46

17. NOTICES 47

18. PRESERVATION 50

19. CONSENTS, AMENDMENTS AND OVERRIDE 52

20. COUNTERPARTS 56

21. GOVERNING LAW 56

22. JURISDICTION 57

23. SERVICE OF PROCESS 57

SCHEDULE 1 FORM OF AGENT ACCESSION UNDERTAKING 58

THIS AGREEMENT is dated August 1, 2014 and made between:

(1) **BNP PARIBAS** as security and intercreditor agent of the RCF Agent, the RCF Lenders, the HY Noteholder Trustee and the HY Noteholders (the "**Security and Intercreditor Agent**").

(2) **STANDARD CHARTERED BANK** as agent of the RCF Lenders (The "**RCF Agent**").

(3) **WILMINGTON TRUST, NATIONAL ASSOCIATION** as trustee of the HY Noteholders (the "**HY Noteholder Trustee**") for itself and for and on behalf of the HY Noteholders.

(4) **KOSMOS ENERGY LTD** or "**KEL**" a company incorporated under the laws of Bermuda with registered number 45011 and having its registered office at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda in its capacities as (i) high yield note issuer (the "**HY Note Issuer**"); and (ii) RCF Borrower (the "**RCF Borrower**");

WHEREAS:

On November 23, 2012, KEL entered into the RCF Agreement, which was amended and restated pursuant to a deed of amendment and restatement dated 14 March 2014, and, on or around the date of this Agreement, KEL has issued HY Notes. It has been agreed, among other matters, that the liabilities outstanding under the RCF Agreement and under the HY Note Documents should rank *pari passu* in accordance with the terms of this Agreement.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"**Acceleration Event**" means (as applicable):

(a) the RCF Agent exercising any of its rights under Clause 21.15 (*Acceleration*) of the RCF Agreement; and/or

(b) the HY Noteholder Trustee exercising any of its rights of acceleration and/or enforcement under the HY Note Indenture.

"**Adjusted Voting Entitlement**" means the number of votes to which each HY Noteholder and each RCF Lender shall be entitled from time to time, calculated as (i) in the case of each HY Noteholder, one vote for each US$ 1.00 of Credit Participations under the HY Notes; and (ii) in the case of each RCF Lender, two votes for each US$ 1.00 of Credit Participations under the RCF.

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"**Agent**" means the RCF Agent and/or the HY Noteholder Trustee, as the context so requires.

"**Agent Accession Undertaking**" means an undertaking substantially in the form set out in Schedule 1 (*Form of Agent Accession Undertaking*).

“**Borrowing Liabilities**” means, in relation to an Obligor, the liabilities (not being Guarantee Liabilities) it may have as a principal debtor to a Creditor, or Obligor in respect of Financial Indebtedness arising under the Finance Documents (whether incurred solely or jointly).

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Paris and New York.

“**Charge over Shares in KEH**” means the first ranking charge governed by English law dated on or around the date of the RCF Agreement, granted by KEL over its shares in Kosmos Energy Holdings in favour of the Security and Intercreditor Agent, for and on behalf of the Secured Parties.

“**Charged Property**” means all of the assets which from time to time are, or are expressed to be, the subject of the Transaction Security.

“**Commitment**” means (as applicable):

(a) in relation to an “Original Lender” (as defined in the RCF Agreement), the amount set opposite its name under the heading “Commitment” in Schedule 2 to the RCF Agreement and the amount of any other Commitment transferred to it; and

(b) in relation to any other “Lender” (as defined in the RCF Agreement), the amount of any Commitment transferred to it,

to the extent not cancelled, reduced or transferred by it.

“**Consent**” means any consent, approval, release or waiver or agreement to any amendment.

“**Credit Participation**” means, in relation to a Creditor, all amounts actually and contingently accrued to it under the HY Notes and the amount of its Commitment under the RCF, if any.

“**Creditor**” means a RCF Lender or a HY Noteholder, or both of them (as the context requires).

“**Deed of Guarantee**” means the deed of guarantee and indemnity entered into on or around the date of the RCF Agreement between *inter alios*, the Security and Intercreditor Agent and each Guarantor (as defined therein).

“**Default**” means a “Default” (as defined in the RCF Agreement) and a “Default” (as defined in the HY Note Indenture).

“**Delegate**” means any delegate, agent, attorney or co trustee appointed by the Security and Intercreditor Agent.

“**Disposal Proceeds**” has the meaning given to that term in Clause 8 (*DISPOSALS*).

“**Distress Event**” means any of:

(a) an Acceleration Event; or

(b) the enforcement of any Transaction Security in accordance with the terms of the Security Documents.

“**Distressed Disposal**” means a disposal of an asset of a member of the Group which is:

(a) being effected at the request of the Instructing Group in circumstances where the Transaction Security has become enforceable in accordance with the terms of the Finance Documents;

(b) being effected by enforcement of the Transaction Security in accordance with the terms of the Security Documents; or

(c) being effected, after the occurrence of a Distress Event, by a member of the Group to a person or persons which is not a member of the Group.

“**Dollar Currency Amount**” means, in relation to an amount, that amount converted (to the extent not already denominated in USD) into USD at the Security and Intercreditor Agent’s Spot Rate of Exchange on the Business Day prior to the relevant calculation.

“**Enforcement Action**” means:

(a) in relation to any Liabilities:

   (i) the acceleration of any Liabilities or the making of any declaration that any Liabilities are prematurely due and payable (other than as a result of it becoming unlawful for a Finance Party to perform its obligations under, or of any voluntary or mandatory prepayment arising under, the Finance Documents);

   (ii) the making of any declaration that any Liabilities are payable on demand;

   (iii) the making of a demand in relation to a Liability that is payable on demand;

(iv) the making of any demand against any member of the Group in relation to any Guarantee Liabilities of that member of the Group;

(v) the exercise of any right to require any member of the Group to acquire any Liability (including exercising any put or call option against any member of the Group for the redemption or purchase of any Liability);

(vi) the exercise of any right of set off, account combination or payment netting against any member of the Group in respect of any Liabilities other than the exercise of any such right which is otherwise expressly permitted under the RCF Agreement or the HY Note Indenture; and

(vii) the suing for, commencing or joining of any legal or arbitration proceedings against any member of the Group to recover any Liabilities;

(b) the taking of any steps to enforce or require the enforcement of any Transaction Security (including the crystallisation of any floating charge forming part of the Transaction Security);

(c) the entering into of any composition, compromise, assignment or arrangement with any member of the Group which owes any Liabilities, or has given any Security, guarantee or indemnity or other assurance against loss in respect of the Liabilities (other than any action permitted under Clause 13 (*CHANGES TO THE PARTIES*)); or

(d) the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, provisional liquidator, receiver, administrator or similar officer) in relation to, the winding up, dissolution, administration, reorganisation merger or consolidation of any member of the Group which owes any Liabilities, or has given any Security, guarantee, indemnity or other assurance against loss in respect of any of the Liabilities, or any of such member of the Group's assets or any suspension of payments or moratorium of any indebtedness of any such member of the Group, or any analogous procedure or step in any jurisdiction, except that the following shall not constitute Enforcement Action: the taking of any action falling within paragraph (a)(vii) above or this paragraph (d) which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of Liabilities, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods.

"**Event of Default**" means, as applicable, an "Event of Default" (as defined in the RCF Agreement) and an "Event of Default" (as defined in the HY Note Indenture).

"**Fee Letter**" means any letter or letters between the Company and any Finance Party setting out any fees payable by the Company to a Finance Party pursuant to a Finance Document.

"**Final Discharge Date**" means the first date on which all Liabilities have been fully and finally discharged, whether or not as the result of an Enforcement Action, and the Creditors are under no further obligation to provide financial accommodation to any of the Obligors under the Finance Documents.

"**Finance Document**" means this Agreement, the KEFI Intercreditor Agreement, the RCF Agreement, the HY Note Indenture, the Deed of Guarantee, any Fee Letter each Security Document and any other document designated a such by the Security and Intercreditor Agent and KEL.

"**Finance Party**" means a "Finance Party" as defined in the RCF Agreement, any HY Noteholder and any HY Noteholder Trustee.

"**Group**" means KEL and each of its direct and indirect Subsidiaries for the time being and "**Group Company**" means any one of them.

"**Guarantee Liabilities**" means, in relation to a member of the Group, the liabilities under the Finance Documents (present or future, actual or contingent and whether incurred solely or jointly) it may have to a Finance Party or Obligor as or as a result of its being a guarantor or surety (including, without limitation, liabilities arising by way of guarantee, indemnity, contribution or subrogation and in particular any guarantee or indemnity arising under or in respect of the Finance Documents).

"**Holding Company**" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"**HY Enforcement Recovery**" has the meaning given to it in clause 19.5(B)(ii) (*Enforcement Action*).

"**HY Note Indenture**" means the indenture pursuant to which all or any of the HY Notes are constituted or any other agreement under which HY Notes are constituted and any other agreement under which any guarantee for the HY Notes is given (including but not limited to the Deed of Guarantee).

"**HY Noteholder**" means a holder of HY Notes from time to time.

"**HY Noteholder Trustee**" means any collateral agent, trustee or other representative of the HY Noteholders.

"**HY Noteholder Trustee Liabilities**" means all present and future liabilities and obligations, actual and contingent, of any Obligor to the HY Noteholder Trustee under or in connection with the Finance Documents.

"**HY Notes**" means the 7.875 per cent. senior secured notes due 2021 to be issued on or around the date of this Agreement, pursuant to the terms of

the HY Note Indenture.

"**Insolvency Event**" means, in relation to any member of the Group:

(a) any resolution is passed or order made for the winding up, dissolution or administration of that member of the Group or a moratorium is declared in relation to any indebtedness of that member of the Group;

(b) any composition, compromise, assignment or arrangement is made with any of its creditors;

(c) the appointment of any liquidator, provisional liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of that member of the Group or any of its assets; or

(d) any analogous procedure or step is taken in any jurisdiction.

"**Instructing Group**" means, at any time, any HY Noteholders and/or RCF Lenders whose Adjusted Voting Entitlement at that time aggregate more than $66^{2}/_{3}$ per cent. of the total Adjusted Voting Entitlement of all HY Noteholders and all RCF Lenders at that time.

"**Intercreditor Amendment**" means any amendment or waiver which is subject to Clause 19 (*CONSENTS, AMENDMENTS AND OVERRIDE*).

"**KEFI Intercreditor Agreement**" means the intercreditor agreement dated on or around the date of the RCF Agreement (as amended from time to time) relating to certain senior facilities (the "**Senior Facilities**") provided to Kosmos Energy Finance International ("**KEFI**"), entered into between, among others, the RCF Agent, KEFI, KEL, the Security and Intercreditor Agent, the security agent for the lenders of the Senior Facilities and the Proceeds Agent (as defined therein).

"**Liabilities**" means all present and future liabilities and obligations at any time of any Obligor to any Finance Party under the Finance Documents, both actual and contingent and whether incurred solely or jointly or in any other capacity together with any of the following matters relating to or arising in respect of those liabilities and obligations:

(a) any refinancing, novation, deferral or extension;

(b) any claim for breach of representation, warranty or undertaking or on an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other liability or obligation falling within this definition;

(c) any claim for damages or restitution; and

(d) any claim as a result of any recovery by any Obligor of a Payment on the grounds of preference or otherwise,

and any amounts which would be included in any of the above but for any discharge, non provability, unenforceability or non allowance of those amounts in any insolvency or other proceedings.

"**Majority Creditors**" means, at any time, prior to a Distress Event occurring, those Creditors whose Credit Participations at that time aggregate more than 50 per cent. of the total Credit Participations at that time and thereafter those Creditors whose Credit Participations at that time aggregate more than $66^{2}/_{3}$ per cent. of the total Credit Participations at that time.

"**Mandatory Prepayment**" means a mandatory prepayment of any of the Liabilities pursuant either to Clause 8 (*PREPAYMENT AND CANCELLATION*) of the RCF Agreement or Section 4.15 or 4.16 of the HY Note Indenture.

"**Margin**" means the "Margin" as defined in the RCF Agreement and on the HY Notes under the HY Note Indenture from time to time (and however described), as the context so requires.

"**Non-Distressed Disposal**" has the meaning given to such term in paragraph 8.1(B) (*Non-Distressed Disposals*).

"**Obligor**" means the RCF Borrower, the HY Note Issuer, the members of the Group party to the Deed of Guarantee as "Guarantors" (as defined therein) and any person which becomes a Party as an Obligor in accordance with the terms of the relevant Finance Document.

"**Obligor Liabilities**" means, in relation to any Obligor, any liabilities owed to any other Obligor (whether actual or contingent and whether incurred solely or jointly) by that Obligor.

"**Party**" means a party to this Agreement.

"**Payment**" means, in respect of any Liabilities (or any other liabilities or obligations), a payment, prepayment, repayment, redemption, defeasance or discharge of those Liabilities (or other liabilities or obligations).

"**Permitted Payment**" means a Payment made in accordance with Clause 3.1 (*Payment of Liabilities*).

"**RCF**" means the revolving credit facility made available by the RCF Lenders to, amongst others, the RCF Borrower pursuant to the RCF Agreement.

"**RCF Agent Liabilities**" means all present and future liabilities and obligations, actual and contingent, of any Obligor to the RCF Agent under or in connection with the Finance Documents.

"**RCF Agreement**" means the agreement dated November 23, 2012, as amended and restated pursuant to a deed of amendment and restatement dated 14 March 2014, pursuant to which the RCF is made available.

"**RCF Lender**" means a "Lender" (as defined under the RCF Agreement).

"**Receiver**" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

"**Recoveries**" has the meaning given to that term in Clause 10.1 (*Order of Application*).

"**Relevant Liabilities**" means:

(a) in the case of a Finance Party:

(i) the Liabilities owed to that Finance Party ranking (in accordance with the terms of this Agreement) *pari passu* with or in priority to that Finance Party (as the case may be) together with all RCF Agent Liabilities and all HY Noteholder Trustee Liabilities; and

(ii) all present and future liabilities and obligations, actual and contingent, of the Obligors to the Security and Intercreditor Agent; and

(b) in the case of an Obligor, the Liabilities owed to the Finance Parties together with the RCF Agent Liabilities, the HY Noteholder Trustee Liabilities and all present and future liabilities and obligations, actual and contingent, of the Obligors to the Security and Intercreditor Agent.

"**Retiring Security and Intercreditor Agent**" has the meaning given to that term in Clause 12 (*CHANGE OF SECURITY AND INTERCREDITOR AGENT AND DELEGATION*).

"**Secured Party**" means a "Secured Party" as defined in the RCF Agreement, any HY Noteholder, any HY Noteholder Trustee and any Receiver or Delegate.

"**Secured Property**" means:

(a) the Transaction Security expressed to be granted in favour of the Security and Intercreditor Agent as trustee for the Secured Parties and all proceeds of that Transaction Security;

(b) all obligations expressed to be undertaken by an Obligor to pay amounts in respect of the Liabilities to the Security and Intercreditor Agent as trustee for the Secured Parties and secured by the Transaction Security together with all representations and warranties expressed to be given by an Obligor in favour of the Security and Intercreditor Agent as trustee for the Secured Parties;

(c) the Security and Intercreditor Agent's interest in any trust fund created pursuant to Clause 5 (*TURNOVER OF RECEIPTS*); and

(d) any other amounts or property, whether rights, entitlements, choses in action or otherwise, actual or contingent, which the Security and Intercreditor Agent is required by the terms of the Finance Documents to hold as trustee on trust for the Secured Parties.

"**Security and Intercreditor Agent's Spot Rate of Exchange**" means, in respect of the conversion of one currency (the "**First Currency**") into another currency (the "**Second Currency**") the Security and Intercreditor Agent's spot rate of exchange for the purchase of the Second Currency with the First Currency in the London foreign exchange market at or about 11:00 am (London time) on a particular day, which shall be notified by the Security and Intercreditor Agent in accordance with paragraph 11.6(D) (*Security and Intercreditor Agent's obligations*).

"**Security**" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Security Documents**" means:

(a) the Charge over Shares in KEH;

(b) the Deed of Guarantee;

(c) any other document entered into at any time by any of the Obligors creating any guarantee, indemnity, Security or other assurance against financial loss in favour of any of the Secured Parties as security for any of the Liabilities; and

(d) any Security granted under any covenant for further assurance in any of the documents set out in paragraphs (a), (b) and (c) above.

"**Sponsor Affiliate**" means each of Blackstone Capital Partners (Cayman) IV LP, Warburg Pincus Private Equity VIII, L.P. and Warburg Pincus International Partners, L.P. (each a "**Sponsor Management Company**"), each of their Affiliates, any trust of which a Sponsor Management Company or any of their Affiliates is a trustee, any partnership of which a Sponsor Management Company or any of their Affiliates is a partner and any trust, fund or other entity which is managed by, or is under the control of, a Sponsor Management Company or any of their Affiliates provided that any such trust, fund or other entity which has been established for at least 6 months solely for the purpose of making, purchasing or investing in loans or

debt securities and which is managed or controlled independently from all other trusts, funds or other entities managed or controlled by a Sponsor Management Company or any of their Affiliates which have been established for the primary or main purpose of investing in the share capital of companies shall not constitute a Sponsor Affiliate.

"**Subsidiary**" means in relation to any company or corporation, a company or corporation:

(a) which is controlled, directly or indirectly, by the first mentioned company or corporation;

(b) more than half the issued share capital of which is beneficially owned, directly or indirectly by the first mentioned company or corporation; or

(c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

"**Taxes**" includes any present or future tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Third Parties Rights Act**" has the meaning given to that term in Clause 1.3 (*Third Party Rights*).

"**Transaction Security**" means the Security created or evidenced or expressed to be created or evidenced under or pursuant to the Security Documents.

"**Trust Indenture Act**" means the Trust Indenture Act of 1939, as amended, and the rules and regulations promulgated thereunder.

1.2 Construction

(A) Unless a contrary indication appears, the rules of construction and interpretation set out in Clause 1.2 (*Construction of particular terms*) and Clause 1.3 (*Interpretation*) of the RCF Agreement shall apply to this Agreement. In addition a reference in this Agreement to:

(i) any "**Agent**", "**RCF Borrower**", "**Creditor**", "**Obligor**", "**Party**", "**Security and Intercreditor Agent**", "**RCF Agent**" or "**HY Noteholder Trustee**" shall be construed to be a reference to it in its capacity as such and not in any other capacity;

(ii) any "**Agent**", "**RCF Borrower**", "**Creditor**", "**Obligor**", "**Party**", "**Security and Intercreditor Agent**", "**RCF Agent**" or "**HY Noteholder Trustee**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security and Intercreditor Agent, any person for the time being appointed as Security and Intercreditor Agent or Security and Intercreditor Agents in accordance with this Agreement;

(iii) "**assets**" includes present and future properties, revenues and rights of every description;

(iv) a "**Finance Document**" or any other agreement or instrument is (other than a reference to a "**Finance Document**" or any other agreement or instrument in "**original form**") a reference to that Finance Document, or other agreement or instrument, as amended, novated, supplemented, extended or restated as permitted by this Agreement;

(v) "**enforcing**" (or any derivation) the Transaction Security shall include the appointment of an administrator of an Obligor by the Security and Intercreditor Agent;

(vi) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(vii) the "**original form**" of a "**Finance Document**" or any other agreement or instrument is a reference to that Finance Document, agreement or instrument as originally entered into;

(viii) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);

(ix) "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self regulatory or other authority or organisation; and

(x) a provision of law is a reference to that provision as amended or re enacted.

(B) Section, Clause and Schedule headings are for ease of reference only.

(C) A Default or an Event of Default is "**continuing**" if it has not been remedied or waived.

1.3 Third Party Rights

(A) Unless expressly provided to the contrary in this Agreement, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Rights Act**") to enforce or to enjoy the benefit of any term of this Agreement.

(B) This Agreement confers benefits on the Finance Parties and the Obligors, who are not party to this Agreement (each, for the purposes of this Clause 1.3 (*Third*

Party Rights), a "**Third Party**"). It is intended that any benefit conferred on a Third Party should be enforceable by that Third Party by virtue of the Third Parties Rights Act**.**

(C) Notwithstanding any term of this Agreement, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

(D) Any Receiver, Delegate or any other person described in Clause 11.9 (*No Proceedings*) may, subject to this Clause 1.3 (*Third Party Rights*) and the Third Parties Rights Act, rely on any Clause of this Agreement which expressly confers rights on it.

2. RANKING AND PRIORITY

2.1 Creditor Liabilities

Each of the Parties agrees that the Liabilities owed by the Obligors to the Finance Parties shall rank in right and priority of payment *pari passu* and without any preference between them.

2.2 Transaction Security

Each of the Parties agrees that the Transaction Security shall rank and secure the Liabilities *pari passu* and without any preference between them (but only to the extent that such Transaction Security is expressed to secure those Liabilities).

2.3 Agreement binding on HY Noteholders

The HY Noteholder Trustee hereby confirms that in entering into this Agreement it is acting on its own behalf and as the agent of each HY Noteholder and that it is authorised by the terms of the HY Note Indenture to enter into this Agreement for and on behalf of each HY Noteholder from time to time and to bind each HY Noteholder under and subject to the terms of this Agreement.

2.4 Agreement binding on RCF Lenders

The RCF Agent hereby confirms that in entering into this Agreement it is acting on its own behalf and as the agent of each RCF Lender and that it is authorised by the terms of the RCF Agreement to enter into this Agreement for and on behalf of each RCF Lender from time to time and to bind each RCF Lender under and subject to the terms of this Agreement.

2.5 Agreement binding on Obligors

KEL hereby confirms that in entering into this Agreement it is acting on its own behalf and as agent of each Obligor and that it is authorised by the terms of the Finance Documents to enter into this Agreement for and on behalf of each Obligor from time to time and to bind each Obligor under and subject to the terms of this Agreement.

3. CREDITORS AND LIABILITIES

3.1 Payment of Liabilities

(A) The Obligors may make Payments of the Liabilities at any time in accordance with the Finance Documents.

(B) Any Payment of the Liabilities which is made by an Obligor shall be made to the Security and Intercreditor Agent, for and on behalf of the Secured Parties.

3.2 Amendments and Waivers

(A) Subject to paragraphs (B) and (C) below, the Creditors may, respectively, amend or waive the terms of any Finance Document to which they are a party in accordance with the terms of the relevant Finance Document at any time.

(B) The RCF Lenders and the HY Noteholders may not amend or waive the terms of any Finance Document to which they are a party if the amendment or waiver is, in relation to the original form of the relevant Finance Document (as applicable):

(i) an amendment or waiver constituting an increase in the Margin, or the inclusion of an additional margin, relating to the Liabilities (as applicable) other than such an increase or addition which is contemplated by that Finance Document;

(ii) an amendment or waiver constituting an increase in, or addition of, any fees or commission other than such an increase or addition which is contemplated by that Finance Document; or

(iii) an amendment or waiver which results in any deferral of any scheduled repayment of the Liabilities to a date more than 150 days after the Final Discharge Date for the Liabilities.

(C) Without prejudice to Clause 8.2 (*Distressed Disposals*), the RCF Lenders and the HY Noteholders may not:

(i) amend or waive the terms of any Finance Document to which they are a party if the amendment or waiver:

(a) would have the effect of changing, or relates to, the nature or scope of the guarantee and indemnity granted pursuant to the Deed of Guarantee; or

(b) relates to the release of any guarantee and indemnity granted pursuant to the Deed of Guarantee unless expressly envisaged by the original form of a Finance Document or relating to a sale or disposal of an asset which is a Non-Distressed Disposal; or

(ii) consent to the resignation of an Obligor which has granted a guarantee and indemnity pursuant to the Deed of Guarantee unless each RCF Lender or HY Noteholder (as applicable) has notified the Security and Intercreditor Agent that no payment is due to it from that Obligor under the Deed of Guarantee,

unless (where the RCF Agreement is proposed to be amended) the prior consent of the HY Noteholders is obtained and (where the HY Note Indenture is proposed to be amended) the prior consent of the RCF Lenders is obtained.

3.3 Designation of Finance Documents

Neither Agent shall designate or agree to designate a document a "Finance Document" without the prior consent of the other if the terms of that document effect a change which would otherwise require a consent under Clause 3.2 (*Amendments and Waivers*).

3.4 Security

The RCF Lenders and the HY Noteholders, respectively, may take, accept or receive the benefit of:

(A) any Security in respect of the Liabilities in addition to the Transaction Security if and to the extent legally possible, at the same time, it is also offered either:

(i) to the Security and Intercreditor Agent as trustee for the other Secured Parties in respect of their Liabilities; or

(ii) in the case of any jurisdiction in which effective Security cannot be granted in favour of the Security and Intercreditor Agent as trustee for the Secured Parties:

(a) to the other Secured Parties in respect of their Liabilities; or

(b) to the Security and Intercreditor Agent under a parallel debt structure for the benefit of the other Secured Parties,

and ranks in the same order of priority as that contemplated in Clause 2.2 (*Transaction Security*); and

(iii) any guarantee, indemnity or other assurance against loss in respect of the Liabilities in addition to those in the Deed of Guarantee if and to the extent legally possible, at the same time it is also offered to the other Secured Parties in respect of their Liabilities and ranks in the same order of priority as that contemplated in Clause 2 (*RANKING AND PRIORITY*).

3.5 Option to purchase: HY Noteholders

(A) Subject to paragraph (B) below, all the HY Noteholders (acting as a whole) may at any time after a Distress Event has occurred pursuant to the Finance Documents, by giving not less than 10 Business Days' notice to the RCF Agent, require the transfer to them (or to a nominee or nominees), in accordance with Clause 22.1 (*Assignments and transfers and changes in Facility Office by the Lenders*) of the RCF Agreement, of all, but not part, of the rights, benefits and obligations in respect of the Liabilities under the RCF if:

(i) that transfer is lawful and subject to paragraph (ii) below, otherwise permitted by the terms of the RCF Agreement (provided that for these purposes Clause 22.2 (*Conditions of assignment and transfer or change in Facility Office*) of the RCF Agreement will be ignored);

(ii) any conditions relating to such a transfer contained in the RCF Agreement are complied with, other than any requirement to obtain the consent of, or consult with, any Obligor relating to such transfer, which consent or consultation shall not be required;

(iii) the RCF Agent, on behalf of the RCF Lenders, is paid (no later than at the time of such transfer) an amount equal to the aggregate of:

(a) all of the Liabilities under the RCF at that time (whether or not due), including all amounts that would have been payable under the RCF Agreement if the RCF Liabilities were being prepaid by the relevant Obligors on the date of that payment; and

(b) all costs and expenses (including legal fees) incurred by the RCF Agent and/or the RCF Lenders as a consequence of giving effect to that transfer;

(iv) as a result of that transfer the RCF Lenders have no further actual or contingent liability to any Obligor under the RCF Agreement;

(v) an indemnity is provided from each HY Noteholder (or from another third party acceptable to all the RCF Lenders) in a form satisfactory to each RCF Lender in respect of all losses which may be sustained or incurred by any RCF Lender in consequence of any sum received or recovered by any RCF Lender from any person being required (or it being alleged that it is required) to be paid back by or clawed back from any RCF Lender for any reason; and

(vi) the transfer is made without recourse to, or representation or warranty from, the RCF Lenders, except that each RCF Lender shall be deemed to have represented and warranted on the date of that transfer that it has the corporate power to effect that transfer and it has taken all necessary action to authorise the making by it of that transfer.

(B) The RCF Agent shall, within 5 Business Days of a request by all the HY Noteholders (acting as a whole) notify the HY Noteholders of the sum of the amounts described in paragraphs (A)(iii)(a) and (A)(iii)(b) above.

4. EFFECT OF INSOLVENCY EVENT

4.1 Payment of distributions

(A) After the occurrence of an Insolvency Event in relation to an Obligor, any Party entitled to receive a distribution out of the assets of that Obligor in respect of Liabilities owed to that Party shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of that Obligor to pay that distribution to the Security and Intercreditor Agent until the Liabilities owing to the Secured Parties have been paid in full.

(B) The Security and Intercreditor Agent shall apply distributions paid to it under paragraph (A) above in accordance with Clause 10 (*APPLICATION OF PROCEEDS*).

4.2 Set Off

To the extent that any Obligor's Liabilities are discharged by way of set off (mandatory or otherwise) after the occurrence of an Insolvency Event in relation to that Obligor, any Finance Party which benefited from that set off shall pay an amount equal to the amount of the Liabilities owed to it which are discharged by that set off to the Security and Intercreditor Agent for application in accordance with Clause 10 (*APPLICATION OF PROCEEDS*).

4.3 Non cash distributions

If the Security and Intercreditor Agent or any other Secured Party receives a distribution in a form other than in cash in respect of any of the Liabilities, the Liabilities will not be reduced by that distribution until and except to the extent that the realisation proceeds are actually applied towards the Liabilities.

4.4 Filing of claims

After the occurrence of an Insolvency Event in relation to any Obligor, the Security and Intercreditor Agent (acting in accordance with Clause 4.6 (*Security and Intercreditor Agent instructions*)) is irrevocably authorised, on behalf of each Creditor, to:

(A) take any Enforcement Action (in accordance with the terms of this Agreement) against that Obligor;

(B) demand, sue, prove and give receipt for any or all of that Obligor's Liabilities;

(C) collect and receive all distributions on, or on account of, any or all of that Obligor's Liabilities; and

(D) file claims, take proceedings and do all other things the Security and Intercreditor Agent considers reasonably necessary to recover that Obligor's Liabilities.

4.5 Creditors' actions

Save as prohibited by any applicable law or regulation, each Finance Party will (insofar as the Security and Intercreditor Agent in each case acts in accordance with Clause 4.6 (*Security and Intercreditor Agent instructions*):

(A) do all things that the Security and Intercreditor Agent requests in order to give effect to this Clause 4 (*EFFECT OF INSOLVENCY EVENT*);

and

(B) if the Security and Intercreditor Agent is not entitled to take any of the actions contemplated by this Clause 4 (*EFFECT OF INSOLVENCY EVENT*) or if the Security and Intercreditor Agent requests that a Finance Party take that action, undertake that action itself in accordance with the instructions of the Security and Intercreditor Agent or grant a power of attorney to the Security and Intercreditor Agent (on such terms as the Security and Intercreditor Agent may reasonably require) to enable the Security and Intercreditor Agent to take such action.

4.6 Security and Intercreditor Agent instructions

For the purposes of Clause 4.4 (*Filing of claims*) and Clause 4.5 (*Creditors' actions*) the Security and Intercreditor Agent shall act:

(A) on the instructions of the group of Creditors entitled, at that time, to give instructions under Clause 7.1 (*Enforcement Instructions*) or Clause 7.2 (*Manner of enforcement*); or

(B) in the absence of any such instructions, as the Security and Intercreditor Agent sees fit.

5. TURNOVER OF RECEIPTS

5.1 Turnover by the Creditors

Subject to Clause 5.2 (*Permitted assurance and receipts*), if at any time prior to the Final Discharge Date, any Finance Party receives or recovers:

(A) any Payment or distribution of, or on account of or in relation to, any of the Liabilities which is not either:

(i) a Permitted Payment; or

(ii) made in accordance with Clause 10 (*APPLICATION OF PROCEEDS*);

(B) other than where Clause 4.2 (*Set Off*) applies, any amount by way of set off in respect of any of the Liabilities owed to it which does not give effect to a Permitted Payment;

(C) notwithstanding paragraphs (A) and (B) above, and other than where Clause 4.2 (*Set-Off*) applies, any amount:

(i) on account of, or in relation to, any of the Liabilities:

(a) after the occurrence of a Distress Event; or

(b) as a result of any other litigation or proceedings against an Obligor (other than after the occurrence of an Insolvency Event in respect of that Obligor); or

(ii) by way of set-off in respect of any of the Liabilities owed to it after the occurrence of a Distress Event;

(D) the proceeds of any enforcement of any Transaction Security except in accordance with Clause 10 (*APPLICATION OF PROCEEDS*); or

(E) other than where Clause 4.2 (*Set-Off*) applies, any distribution in cash or in kind or Payment of, or on account of or in relation to, any of the Liabilities owed by any Obligor which is not in accordance with Clause 10 (*APPLICATION OF PROCEEDS*) and which is made as a result of, or after, the occurrence of an Insolvency Event in respect of that Obligor,

that Finance Party will:

(i) in relation to receipts and recoveries not received or recovered by way of set-off:

(a) hold an amount of that receipt or recovery equal to the Relevant Liabilities (or if less, the amount received or recovered) on trust for the Security and Intercreditor Agent and promptly pay that amount to the Security and Intercreditor Agent for application in accordance with the terms of this Agreement; and

(b) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the Relevant Liabilities to the Security and Intercreditor Agent for application in accordance with the terms of this Agreement; and

(ii) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security and Intercreditor Agent for application in accordance with the terms of this Agreement.

5.2 Permitted assurance and receipts

Nothing in this Agreement shall restrict the ability of any Finance Party to:

(A) arrange with any person which is not an Obligor any assurance against loss in respect of, or reduction of its credit exposure to, an Obligor (including assurance by way of credit based derivative or sub participation); or

(B) make any assignment or transfer,

which is permitted by the Finance Documents to which it is a party and that Finance Party shall not be obliged to account to any other Party for any sum received by it as a result of that action.

5.3 Sums received by Obligors

If any of the Obligors receives or recovers any sum from an Obligor which, under the terms of any of the Finance Documents, should have been paid to the Security and Intercreditor Agent, that Obligor will:

(A) hold an amount of that receipt or recovery equal to the Relevant Liabilities (or if less, the amount received or recovered) on trust for the Security and Intercreditor Agent and promptly pay that amount to the Security and Intercreditor Agent for application in accordance with Clause 10 (*APPLICATION OF PROCEEDS*).

(B) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the Relevant Liabilities to the Security and Intercreditor Agent for application in accordance with Clause 10 (*APPLICATION OF PROCEEDS*).

5.4 Saving provision

If, for any reason, any of the trusts expressed to be created in this Clause 5 (*TURNOVER OF RECEIPTS*) should fail or be unenforceable, the affected Creditor or Obligor will promptly pay an amount equal to that receipt or recovery to the Security and Intercreditor Agent to be held on trust by the Security and Intercreditor Agent for application in accordance with the terms of this Agreement.

6. REDISTRIBUTION

6.1 Recovering Creditor's rights

(A) Any amount paid by a Finance Party (a "**Recovering Finance Party**") to the Security and Intercreditor Agent under Clause 4 (*EFFECT OF INSOLVENCY EVENT*) or Clause 5 (*TURNOVER OF RECEIPTS*) shall be treated as having been paid by the relevant Obligor and distributed to the Finance Parties (each a "**Sharing Finance Party**") in accordance with the terms of this Agreement.

(B) On a distribution by the Security and Intercreditor Agent under paragraph (A) above of a Payment received by a Recovering Finance Party from an Obligor, as between the relevant Obligor and the Recovering Finance Party an amount equal to the amount received or recovered by the Recovering Finance Party and paid to the Security and Intercreditor Agent (the "**Shared Amount**") will be treated as not having been paid by that Obligor.

6.2 Reversal of redistribution

(A) If any part of the Shared Amount received or recovered by a Recovering Finance Party becomes repayable to an Obligor and is repaid by that Recovering Finance Party to that Obligor, then:

(i) each Sharing Finance Party shall, upon request of the Security and Intercreditor Agent, pay to the Security and Intercreditor Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Shared Amount (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Shared Amount which that Recovering Finance Party is required to pay) (the "**Redistributed Amount**"); and

(ii) as between the relevant Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor.

(B) The Security and Intercreditor Agent shall not be obliged to pay any Redistributed Amount to a Recovering Finance Party under paragraph (A)(i) above until it has been able to establish to its satisfaction that it has actually received that Redistributed Amount from the relevant Sharing Finance Party.

7. ENFORCEMENT OF TRANSACTION SECURITY

7.1 Enforcement Instructions

(A) The Security and Intercreditor Agent will refrain from taking Enforcement Action unless instructed otherwise by the Instructing Group.

(B) Subject to the Transaction Security having become enforceable in accordance with the terms of the Security Documents, the Instructing Group may give or refrain from giving instructions to the Security and Intercreditor Agent to take, or refrain from taking, Enforcement Action as they see fit.

(C) The Security and Intercreditor Agent is entitled to rely on and comply with instructions given in accordance with this Clause 7.1 (*Enforcement Instructions*).

(D) In the event that the Security and Intercreditor Agent is authorised by an Instructing Group and intends to take Enforcement Action, the Security and Intercreditor Agent shall consult with KEL for a period of not less than 20 Business Days (the "**Enforcement Consultation Period**"). No Enforcement Action may be taken during the Enforcement Consultation Period. At the end of the Enforcement Consultation Period the Security and Intercreditor Agent shall be required to seek instructions in relation to the Enforcement Action in question from an Instructing Group. An Enforcement Consultation Period shall not be required if:

(i) KEL has suffered an Insolvency Event which is continuing;

(ii) any other person is carrying out Enforcement Action against any Group Company; or

(iii) an Instructing Group determine that any delay in taking Enforcement Action would have a material adverse effect on the interests of the Secured Parties.

7.2 Manner of enforcement

(A) If Enforcement Action is authorised to be taken in accordance with the terms of the Security Documents and pursuant to Clause 7.1 (*Enforcement Instructions*), the Security and Intercreditor Agent shall take such Enforcement Action:

(i) in such a manner (including, without limitation, the selection of any administrator of any Obligor to be appointed by the Security and Intercreditor Agent) as the Instructing Group shall instruct or, in the absence of any such instructions, as the Security and Intercreditor Agent sees fit; and

(ii) in relation to all of the Liabilities.

(B) Notwithstanding paragraph (A) above, if in connection with any Enforcement Action the Security and Intercreditor Agent (or any receiver) sells or otherwise disposes of (or proposes to sell or otherwise dispose of) any of the Transaction Security, the Security and Intercreditor Agent shall only effect such sale or disposal following the provision of a certificate from an internationally recognised investment bank that such sale or disposal is at a fair market valuation, and for cash consideration for material disposals.

7.3 Exercise of voting rights

(A) Each Creditor agrees with the Security and Intercreditor Agent that it will cast its vote in any proposal put to the vote by or under the supervision of any judicial or supervisory authority in respect of any insolvency, pre insolvency or rehabilitation or similar proceedings relating to any Obligor as instructed by the Security and Intercreditor Agent.

(B) The Security and Intercreditor Agent shall give instructions for the purposes of paragraph (A) of this Clause 7.3 (*Exercise of voting rights*) as directed by an Instructing Group.

7.4 Waiver of rights

To the extent permitted under applicable law and subject to Clause 7.1 (*Enforcement Instructions*), Clause 7.2 (*Manner of enforcement*), Clause 8.2(C) (*Distressed Disposals*) and Clause 10 (*APPLICATION OF PROCEEDS*), each of the Secured Parties and the Obligors waives all rights it may otherwise have to require that the Transaction Security be enforced in any particular order or manner or at any particular time or that any sum received or recovered from any person, or by virtue of the enforcement of any of the Transaction Security or of any other security interest, which is capable of being applied in or towards discharge of any of the Liabilities is so applied.

8. DISPOSALS

8.1 Non-Distressed Disposals

(A) In this Clause 8.1 (*Non-Distressed Disposals*):

"**Disposal Proceeds**" means the proceeds of a Non-Distressed Disposal (as defined in paragraph (B) below).

(B) If, in respect of a disposal of:

(i) an asset by an Obligor or Group Company; or

(ii) an asset which is subject to the Transaction Security

to a person or persons which are not members of the Group:

(a) that disposal is permitted under the Finance Documents; and

(b) that disposal is not a Distressed Disposal,

(a "**Non-Distressed Disposal**"),

the Security and Intercreditor Agent is irrevocably authorised (at the cost of the relevant Obligor or Group Company and without any

consent, sanction, authority or further confirmation from any Creditor or Obligor or Group Company) but subject to paragraph (C) below:

(iii) to release the Transaction Security or any other claim (relating to a Finance Document) over any relevant asset or Obligor;

(iv) where any relevant asset consists of shares in the capital of an Obligor or Group Company to release the Transaction Security or any other

claim, including any guarantee (relating to a Finance Document) against that Obligor or Group Company and against that Obligor's or Group Company's assets;

(v) to execute and deliver or enter into any release of the Transaction Security or any claim described in paragraphs (iii) and (iv) above and issue any certificates of non crystallisation of any floating charge or any consent to dealing that may, in the discretion of the Security and Intercreditor Agent, be considered necessary or desirable.

(C) If that Non-Distressed Disposal is not made, each release of Transaction Security or any claim described in paragraph (B) above shall have no effect and the Transaction Security or claim subject to that release shall continue in such force and effect as if that release had not been effected.

(D) Any Disposal Proceeds required by the Finance Documents to be applied in mandatory prepayment of the Liabilities shall be so applied in accordance with the terms of the Finance Documents.

8.2 Distressed Disposals

(A) Subject to paragraph (C) below, if a Distressed Disposal is being effected, the Security and Intercreditor Agent shall, and is irrevocably authorised (at the cost of the relevant Obligor or Group Company and without any consent, sanction, authority or further confirmation from any Finance Party, any Obligor or Group Company):

(i) *release of Transaction Security*: to release the Transaction Security or any other claim, including any guarantee, over any relevant asset or Obligor and execute and deliver or enter into any release of that Transaction Security or claim and issue any certificates of non crystallisation of any floating charge or consent to dealing that may, in the discretion of the Security and Intercreditor Agent, be considered necessary or desirable;

(ii) *release of liabilities and Transaction Security on a share sale (Obligor):* if any relevant asset which is disposed of consists of shares in the capital of a Group Company, to release:

(a) that Group Company and any Subsidiary of that Group Company from all or any part of:

(1) its Borrowing Liabilities; and

(2) its Guarantee Liabilities.

(b) any Transaction Security granted by that Group Company or any Subsidiary of that Group Company;

(c) any other claim of another Obligor over that Obligor's assets or over the assets of any Subsidiary of that Obligor,

on behalf of the relevant Creditors and Group Companies;

(iii) *disposal of liabilities on a share sale:* if any relevant asset which is disposed of consists of shares in the capital of a Group Company and the Security and Intercreditor Agent (acting in accordance with paragraph (C) below) decides to dispose of all or any part of:

(a) the Liabilities; or

(b) the Obligor Liabilities,

owed by any Obligor:

(c) (if the Security and Intercreditor Agent (acting in accordance with paragraph (C) below) does not intend that any transferee of those Liabilities or Obligor Liabilities (the "**Transferee**") will be treated as a Creditor or a Secured Party for the purposes of this Agreement) to execute and deliver or enter into any agreement to dispose of all or part of those Liabilities or Obligor Liabilities **provided that** notwithstanding any other provision of any Finance Document the Transferee shall not be treated as a Creditor or a Secured Party for the purposes of this Agreement; and

(d) (if the Security and Intercreditor Agent (acting in accordance with paragraph (C) below) does intend that any Transferee will be treated as a Creditor or a Secured Party for the purposes of this Agreement) to execute and deliver or enter into any agreement to dispose of:

(1) all (and not part only) of the Liabilities owed to the Creditors; and

(2) all or part of any other Liabilities and the Obligor Liabilities,

on behalf of, in each case, the relevant Creditors and Obligors;

(iv) *transfer of obligations in respect of liabilities on a share sale:* if any relevant asset which is disposed of consists of shares in the capital of an Obligor (the "**Disposed Entity**") and the Security and Intercreditor Agent (acting in accordance with paragraph (C) below) decides to transfer to another Obligor or Group Company (the "**Receiving Entity**") all or any part of the Disposed Entity's obligations or any obligations of

any Subsidiary of that Disposed Entity in respect of the Obligor Liabilities to execute and deliver or enter into any agreement to:

(a) agree to the transfer of all or part of the obligations in respect of those Obligor Liabilities on behalf of the relevant Obligors to which those obligations are owed and on behalf of the Obligors which owe those obligations; and

(b) to accept the transfer of all or part of the obligations in respect of those Obligor Liabilities on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those Obligor Liabilities are to be transferred.

(B) The net proceeds of each Distressed Disposal (and the net proceeds of any disposal of Liabilities or Obligor Liabilities pursuant to paragraph (A)(iii) above) shall be paid to the Security and Intercreditor Agent for application in accordance with Clause 10 (*APPLICATION OF PROCEEDS*) as if those proceeds were the proceeds of an enforcement of the Transaction Security and, to the extent that any disposal of Liabilities or Obligor Liabilities has occurred pursuant to paragraph (A)(iii)(d) above, as if that disposal of Liabilities or Obligor Liabilities had not occurred.

(C) In the case of a Distressed Disposal (or a disposal of Liabilities pursuant to paragraph (A)(iii)(d) above) effected by or at the request of the Security and Intercreditor Agent (acting in accordance with paragraph (D) below), the Security and Intercreditor Agent shall only effect such sale or disposal following the provision of a certificate from an internationally recognised investment bank (acting reasonably) that such sale or disposal is at a fair market valuation, and for cash consideration for material disposals.

(D) For the purposes of paragraphs (A)(i), (A)(ii), (A)(iii), (A)(iv) and (C) above, the Security and Intercreditor Agent shall act:

(i) if the relevant Distressed Disposal is being effected by way of enforcement of the Transaction Security, in accordance with Clause 7.2 (*Manner of enforcement*); and

(ii) in any other case:

(a) on the instructions of the Instructing Group; or

(b) in the absence of any such instructions, as the Security and Intercreditor Agent sees fit.

9. PERMITTED REFINANCING

9.1 Permitted Refinancing

Notwithstanding any other term of this Agreement, it is agreed that, in the event the Liabilities are amended, restated, refinanced, replaced or restructured in whole or in part (a "**New Financing**"), then any Transaction Security may be reconstituted, amended or replaced with Security ("**New Security**") on substantially the same terms as the Transaction Security in force immediately prior to the New Financing.

9.2 Further assurance

It is agreed that, in the event of a New Financing, each Party shall, at the cost of KEL, do or procure the doing of all acts and/or execute or procure the execution of all documents, notices and filings in a form satisfactory to KEL and the creditors under the New Financing (who may for these purposes act through an agent) (each acting reasonably) which KEL and the creditors under the New Financing (who may for these purposes act through an agent) (each acting reasonably) consider necessary or appropriate to give full effect to the New Financing, and any New Security.

10. APPLICATION OF PROCEEDS

10.1 Order of application

Subject to Clause 10.2 (*Prospective liabilities*), all amounts from time to time received or recovered by the Security and Intercreditor Agent in respect of the Liabilities pursuant to the terms of any Finance Document or in connection with the realisation or enforcement of all or any part of the Transaction Security (for the purposes of this Clause 10 (*APPLICATION OF PROCEEDS*), the "**Recoveries**") shall be held by the Security and Intercreditor Agent on trust to apply them at any time as the Security and Intercreditor Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this Clause 10 (*APPLICATION OF PROCEEDS*)), in the following order of priority:

(A) in discharging any sums owing to the Security and Intercreditor Agent, any Receiver or any Delegate;

(B) in accordance with the terms of the KEFI Intercreditor Agreement (if in force and effect and if applicable);

(C) in payment of all costs and expenses incurred by the Agents or any Creditor in connection with any realisation or enforcement of the Transaction Security taken in accordance with the terms of this Agreement or any action taken at the request of the Security and Intercreditor Agent under Clause 4.5 (*Creditors' actions*);

(D) in payment to the RCF Agent for the RCF Agent Liabilities and in payment to the HY Noteholder Trustee for the HY Noteholder Trustee Liabilities (to the extent such liabilities relate to the non-payment of fees due);

(E) in payment to:

(i) the RCF Agent on behalf of the RCF Lenders; and

(ii) the HY Noteholder Trustee on behalf of the HY Noteholders,

for application towards the discharge of the Liabilities (on a *pro rata* basis between the Liabilities of each RCF Lender and each HY Noteholder) provided that such payments shall be deemed to be paid firstly, towards any interest payments under the RCF and the HY Notes due but unpaid and secondly, towards the remaining Liabilities;

(F) if none of the Obligors is under any further actual or contingent liability under any Finance Document, in payment to any person to whom the Security and Intercreditor Agent is obliged to pay in priority to any Obligor; and

(G) the balance, if any, in payment to the relevant Obligor.

10.2 Prospective liabilities

Following a Distress Event the Security and Intercreditor Agent may, in its discretion, hold any amount of the Recoveries in an interest bearing suspense or impersonal account(s) in the name of the Security and Intercreditor Agent with such financial institution (including itself) and for so long as the Security and Intercreditor Agent shall think fit (the interest being credited to the relevant account) for later application under Clause 10.1 (*Order of Application*) in respect of:

(A) any sum to any Security and Intercreditor Agent, any Receiver or any Delegate; and

(B) any part of the Liabilities, the RCF Agent Liabilities or the HY Noteholder Trustee Liabilities,

that the Security and Intercreditor Agent reasonably considers, in each case, might become due or owing at any time in the future.

10.3 Investment of proceeds

Prior to the application of any proceeds in accordance with Clause 10.1 (*Order of Application*) the Security and Intercreditor Agent may, in its discretion, hold all or part of those proceeds in an interest bearing suspense or impersonal account(s) in the name of the Security and Intercreditor Agent with such financial institution (including itself) and for so long as the Security and Intercreditor Agent shall think fit (the interest being credited to the relevant account) pending the application from time to time of those

monies in the Security and Intercreditor Agent's discretion in accordance with the provisions of this Clause 10 (*APPLICATION OF PROCEEDS*).

10.4 Currency Conversion

(A) For the purpose of, or pending the discharge of, any of the Liabilities the Security and Intercreditor Agent may convert any moneys received or recovered by the Security and Intercreditor Agent from one currency to another, at the Security and Intercreditor Agent's Spot Rate of Exchange.

(B) The obligations of any Obligor to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

10.5 Permitted Deductions

The Security and Intercreditor Agent shall be entitled, in its discretion, (a) to set aside by way of reserve amounts required to meet and (b) to make and pay, any deductions and withholdings (on account of Taxes or otherwise) which it is or may be required by any applicable law to make from any distribution or payment made by it under this Agreement, and to pay all Taxes which may be assessed against it in respect of any of the Charged Property, or as a consequence of performing its duties, or by virtue of its capacity as Security and Intercreditor Agent under any of the Finance Documents or otherwise (other than in connection with its remuneration for performing its duties under this Agreement).

10.6 Good Discharge

(A) Any payment to be made in respect of the Liabilities by the Security and Intercreditor Agent may be made to the relevant Agent on behalf of

a Finance Party and any payment made in that way shall be a good discharge, to the extent of that payment, by the Security and Intercreditor Agent.

(B) The Security and Intercreditor Agent is under no obligation to make the payments to the Agents under paragraph (A) above in the same currency as that in which the Liabilities owing to the relevant Finance Party are denominated.

10.7 Calculation of Amounts

For the purpose of calculating any person's share of any sum payable to or by it, the Security and Intercreditor Agent shall be entitled to:

(A) notionally convert the Liabilities owed to any person into a common base currency (decided in its discretion by the Security and Intercreditor Agent), that notional conversion to be made at the Security and Intercreditor Agent's Spot Rate of Exchange; and

(B) assume that all moneys received or recovered as a result of the enforcement or realisation of the Secured Property are applied in discharge of the Liabilities in accordance with the terms of the Finance Documents under which those Liabilities have arisen.

11. THE SECURITY AND INTERCREDITOR AGENT

11.1 Trust

(A) The Security and Intercreditor Agent declares that it shall hold the Secured Property received pursuant to Clauses 4 (*EFFECT OF INSOLVENCY EVENT*), 5 (*TURNOVER OF RECEIPTS*) and 6 (*REDISTRIBUTION*) on trust for the Secured Parties on the terms contained in this Agreement.

(B) Each of the parties to this Agreement agrees that the Security and Intercreditor Agent shall have only those duties, obligations and responsibilities expressly specified in this Agreement or in the Security Documents to which the Security and Intercreditor Agent is expressed to be a party (and no others shall be implied).

11.2 No independent power

The Secured Parties shall not have any independent power to enforce, or have recourse to, any of the Transaction Security or to exercise any rights or powers arising under the Security Documents except through the Security and Intercreditor Agent.

11.3 Instructions to Security and Intercreditor Agent and exercise of discretion

(A) Subject to paragraphs (D) and (E) below, the Security and Intercreditor Agent shall act in accordance with any instructions given to it by the Majority Creditors or, if so instructed by the Majority Creditors, refrain from exercising any right, power, authority or discretion vested in it as Security and Intercreditor Agent and shall be entitled to assume that (i) any instructions received by it from an Agent, the Creditors or a group of Creditors are duly given in accordance with the terms of the Finance Documents and (ii) unless it has received actual notice of revocation, that those instructions or directions have not been revoked.

(B) The Security and Intercreditor Agent shall be entitled to request instructions, or clarification of any direction, from the Majority Creditors as to whether, and in what manner, it should exercise or refrain from exercising any rights, powers, authorities and discretions and the Security and Intercreditor Agent may refrain from acting unless and until those instructions or clarification are received by it.

(C) Save as provided in Clause 7 (*ENFORCEMENT OF TRANSACTION SECURITY*), any instructions given to the Security and Intercreditor Agent by the Majority Creditors shall override any conflicting instructions given by any other Parties.

(D) Paragraph (A) above shall not apply:

(i) where a contrary indication appears in this Agreement;

(ii) where this Agreement requires the Security and Intercreditor Agent to act in a specified manner or to take a specified action;

(iii) in respect of any provision which protects the Security and Intercreditor Agent's own position in its personal capacity as opposed to its role of Security and Intercreditor Agent for the Secured Parties including, without limitation, the provisions set out in Clauses 11.5 (*Security and Intercreditor Agent's discretions*) to Clause 11.21 (*Disapplication*);

(iv) in respect of the exercise of the Security and Intercreditor Agent's discretion to exercise a right, power or authority under any of:

(a) Clause 8.1 (*Non-Distressed Disposals*);

(b) Clause 10.1 (*Order of application*);

(c) Clause 10.2 (*Prospective liabilities*); and

(d) Clause 10.5 (*Permitted Deductions*).

(E) If giving effect to instructions given by the Majority Creditors would (in the Security and Intercreditor Agent's opinion) have an effect equivalent to an Intercreditor Amendment, the Security and Intercreditor Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each Party (other than the Security and Intercreditor Agent) whose consent would have been required in respect of that Intercreditor Amendment.

(F) In exercising any discretion to exercise a right, power or authority under this Agreement where either:

(i) it has not received any instructions from the Majority Creditors as to the exercise of that discretion; or

(ii) the exercise of that discretion is subject to paragraph (D)(iv) above,

the Security and Intercreditor Agent shall do so having regard to the interests of all the Secured Parties.

11.4 Security and Intercreditor Agent's Actions

Without prejudice to the provisions of Clause 7 (*ENFORCEMENT OF TRANSACTION SECURITY*) and Clause 11.3 (*Instructions to Security and Intercreditor Agent and exercise of discretion*), the Security and Intercreditor Agent may (but shall not be obliged to), in the absence of any instructions to the contrary, take such action in the exercise of any of its powers and duties under the Finance Documents as it considers in its discretion to be appropriate.

11.5 Security and Intercreditor Agent's discretions

The Security and Intercreditor Agent may:

(A) assume (unless it has received actual notice to the contrary from one of the Agents) that (i) no Default has occurred and no Obligor is in breach of or in default of its obligations under any of the Finance Documents and (ii) any right, power, authority or discretion vested by any Finance Document in any person has not been exercised;

(B) if it receives any instructions or directions under Clause 7 (*ENFORCEMENT OF TRANSACTION SECURITY*) to take any action in relation to the Transaction Security, assume that all applicable conditions under the Finance Documents for taking that action have been satisfied;

(C) engage, pay for and rely on the advice or services of any legal advisers, accountants, tax advisers, surveyors or other experts (whether obtained by the

Security and Intercreditor Agent or by any other Secured Party) whose advice or services may at any time seem necessary, expedient or desirable;

(D) rely upon any communication or document believed by it to be genuine and, as to any matters of fact which might reasonably be expected to be within the knowledge of a Secured Party, any Creditor or an Obligor, upon a certificate signed by or on behalf of that person; and

(E) refrain from acting in accordance with the instructions of any Party (including bringing any legal action or proceeding arising out of or in connection with the Finance Documents) until it has received any indemnification and/or security that it may in its discretion require (whether by way of payment in advance or otherwise) for all costs, losses and liabilities which it may incur in so acting.

11.6 Security and Intercreditor Agent's obligations

The Security and Intercreditor Agent shall promptly:

(A) copy to each Agent the contents of any notice or document received by it from any Obligor under any Finance Document;

(B) forward to a Party the original or a copy of any document which is delivered to the Security and Intercreditor Agent for that Party by any other Party **provided that**, except where a Finance Document expressly provides otherwise, the Security and Intercreditor Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party;

(C) inform each Agent of the occurrence of any Default or any default by an Obligor in the due performance of or compliance with its obligations under any Finance Document of which the Security and Intercreditor Agent has received notice from any other party to this Agreement; and

(D) to the extent that a Party (other than the Security and Intercreditor Agent) is required to calculate a Dollar Currency Amount, and upon a request by that Party, notify that Party of the relevant Security and Intercreditor Agent's Spot Rate of Exchange.

11.7 Excluded obligations

Notwithstanding anything to the contrary expressed or implied in the Finance Documents, the Security and Intercreditor Agent shall not:

(A) be bound to enquire as to (i) whether or not any Default has occurred or (ii) the performance, default or any breach by an Obligor of its obligations under any of the Finance Documents;

(B) be bound to account to any other Party for any sum or the profit element of any sum received by it for its own account;

(C) be bound to disclose to any other person (including but not limited to any Secured Party) (i) any confidential information or (ii) any other information if disclosure would, or might in its reasonable opinion, constitute a breach of any law or be a breach of fiduciary duty;

(D) have or be deemed to have any relationship of trust or agency with, any Obligor.

11.8 Exclusion of liability

None of the Security and Intercreditor Agent, any Receiver nor any Delegate shall accept responsibility or be liable for:

(A) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Security and Intercreditor Agent or any other person in or in connection with any Finance Document or the transactions contemplated in the Finance Documents, or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;

(B) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document, the Secured Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Secured Property;

(C) any losses to any person or any liability arising as a result of taking or refraining from taking any action in relation to any of the Finance Documents, the Secured Property or otherwise, whether in accordance with an instruction from an Agent or otherwise unless directly caused by its gross negligence or wilful misconduct;

(D) the exercise of, or the failure to exercise, any judgment, discretion or power given to it by or in connection with any of the Finance Documents, the Secured Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, the Finance Documents or the Secured Property; or

(E) any shortfall which arises on the enforcement or realisation of the Secured Property.

11.9 No proceedings

No Party (other than the Security and Intercreditor Agent, that Receiver or that Delegate) may take any proceedings against any officer, employee or agent of the Security and Intercreditor Agent, a Receiver or a Delegate in respect of any claim it might have against the Security and Intercreditor Agent, a Receiver or a Delegate or in respect of any act or omission of any kind by that officer, employee or agent in relation to this Agreement or any Secured Property and any officer, employee or agent of the Security and Intercreditor Agent, a Receiver or a Delegate may rely on this Clause 11.9

(*No proceedings*) subject to Clause 1.3 (*Third Party Rights*) and the provisions of the Third Parties Rights Act.

11.10 Own responsibility

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Secured Party confirms to the Security and Intercreditor Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

(A) the financial condition, status and nature of each Obligor;

(B) the legality, validity, effectiveness, adequacy and enforceability of any Finance Document, the Secured Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Secured Property;

(C) whether that Secured Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the Secured Property, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Secured Property;

(D) the adequacy, accuracy and/or completeness of any information provided by the Security and Intercreditor Agent or by any other person under or in connection with any Finance Document, the transactions contemplated by any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and

(E) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property,

and each Secured Party warrants to the Security and Intercreditor Agent that it has not relied on and will not at any time rely on the Security and

Intercreditor Agent in respect of any of these matters.

11.11 No responsibility to perfect Transaction Security

The Security and Intercreditor Agent shall not be liable for any failure to:

(A) require the deposit with it of any deed or document certifying, representing or constituting the title of any Obligor to any of the Charged Property;

(B) obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any of the Finance Documents or the Transaction Security;

(C) register, file or record or otherwise protect any of the Transaction Security (or the priority of any of the Transaction Security) under any applicable laws in any jurisdiction or to give notice to any person of the execution of any of the Finance Documents or of the Transaction Security;

(D) take, or to require any of the Obligors to take, any steps to perfect its title to any of the Charged Property or to render the Transaction Security effective or to secure the creation of any ancillary Security under the laws of any jurisdiction; or

(E) require any further assurances in relation to any of the Security Documents.

11.12 Insurance by Security and Intercreditor Agent

(A) The Security and Intercreditor Agent shall not be under any obligation to insure any of the Charged Property, to require any other person to maintain any insurance or to verify any obligation to arrange or maintain insurance contained in the Finance Documents. The Security and Intercreditor Agent shall not be responsible for any loss which may be suffered by any person as a result of the lack of or inadequacy of any such insurance.

(B) Where the Security and Intercreditor Agent is named on any insurance policy as an insured party, it shall not be responsible for any loss which may be suffered by reason of, directly or indirectly, its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind, unless an Agent shall have requested it to do so in writing and the Security and Intercreditor Agent shall have failed to do so within fourteen days after receipt of that request.

11.13 Custodians and nominees

The Security and Intercreditor Agent may appoint and pay any person to act as a custodian or nominee on any terms in relation to any assets of the trust as the Security and Intercreditor Agent may determine, including for the purpose of depositing with a custodian this Agreement or any document relating to the trust created under this Agreement and the Security and Intercreditor Agent shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it under this Agreement or be bound to supervise the proceedings or acts of any person.

11.14 Acceptance of title

The Security and Intercreditor Agent shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that any of the Obligors or Group

Companies may have to any of the Charged Property and shall not be liable for or bound to require any Obligor or Group Company to remedy any defect in its right or title.

11.15 Refrain from illegality

Notwithstanding anything to the contrary expressed or implied in this Agreement, the Security and Intercreditor Agent may refrain from doing anything which in its opinion will or may be contrary to any relevant law, directive or regulation of any jurisdiction and the Security and Intercreditor Agent may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

11.16 Business with the Obligors

The Security and Intercreditor Agent may accept deposits from, lend money to, and generally engage in any kind of banking or other business with any of the Obligors.

11.17 Winding up of trust

If the Security and Intercreditor Agent is informed by all of the Agents that (a) all of the Liabilities and all other obligations secured by the Security Documents have been fully and finally discharged and (b) none of the Secured Parties is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Obligor pursuant to the Finance Documents the trusts set out in this Agreement shall be wound up.

11.18 Perpetuity period

The perpetuity period under the rule against perpetuities, if applicable to this Agreement, shall be the period of 125 years from the date of this Agreement.

11.19 Powers supplemental

The rights, powers and discretions conferred upon the Security and Intercreditor Agent by this Agreement shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Security and Intercreditor Agent by general law or otherwise.

11.20 Trustee division separate

(A) In acting as trustee for the Secured Parties, the Security and Intercreditor Agent shall be regarded as acting through its trustee division which shall be treated as a separate entity from any of its other divisions or departments.

(B) If information is received by another division or department of the Security and Intercreditor Agent, it may be treated as confidential to that division or department and the Security and Intercreditor Agent shall not be deemed to have notice of it.

11.21 Disapplication

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security and Intercreditor Agent in relation to the trusts constituted by this Agreement. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Agreement, the provisions of this Agreement shall, to the extent allowed by law, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Agreement shall constitute a restriction or exclusion for the purposes of that Act.

11.22 Obligors: Power of Attorney

Each Obligor by way of security for its obligations under this Agreement irrevocably appoints the Security and Intercreditor Agent to be its attorney to do anything which that Obligor has authorised the Security and Intercreditor Agent or any other Party to do under this Agreement or is itself required to do under this Agreement but has failed to do (and the Security and Intercreditor Agent may delegate that power on such terms as it sees fit).

12. CHANGE OF SECURITY AND INTERCREDITOR AGENT AND DELEGATION

12.1 Resignation of the Security and Intercreditor Agent

(A) The Security and Intercreditor Agent may resign and appoint one of its affiliates as successor by giving notice to KEL and the Creditors.

(B) Alternatively the Security and Intercreditor Agent may resign by giving notice to the other Parties in which case the Majority Creditors may appoint a successor Security and Intercreditor Agent.

(C) If the Majority Creditors have not appointed a successor Security and Intercreditor Agent in accordance with paragraph (B) above within 30 days after the notice of resignation was given, the Security and Intercreditor Agent (after consultation with the Agents) may appoint a successor Security and Intercreditor Agent.

(D) The retiring Security and Intercreditor Agent (the "**Retiring Security and Intercreditor Agent**") shall, at its own cost, make available to the successor Security and Intercreditor Agent such documents and records and provide such assistance as the successor Security and Intercreditor Agent may reasonably request for the purposes of performing its functions as Security and Intercreditor Agent under this Agreement.

(E) The Security and Intercreditor Agent's resignation notice shall only take effect upon (i) the appointment of a successor and (ii) the transfer of all of the Secured Property to that successor.

(F) Upon the appointment of a successor, the Retiring Security and Intercreditor Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under Clause 11.17 (*Winding up of trust*) and under paragraph (D) above) but shall, in respect of any act or omission by it whilst it was the Security and Intercreditor Agent, remain entitled to the benefit of Clauses 11 (*THE SECURITY AND INTERCREDITOR AGENT*), 15.1 (*Obligors' indemnity*) and 15.3 (*Creditors' indemnity*). Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if that successor had been an original Party.

(G) The Majority Creditors may, by notice to the Security and Intercreditor Agent, require it to resign in accordance with paragraph (B) above. In this event, the Security and Intercreditor Agent shall resign in accordance with paragraph (B) above but the cost referred to in paragraph (D) above shall be for the account of KEL.

12.2 Delegation

(A) Each of the Security and Intercreditor Agent, any Receiver and any Delegate may, at any time, delegate by power of attorney or otherwise to

any person for any period, all or any of the rights, powers and discretions vested in it by any of the Finance Documents.

(B) That delegation may be made upon any terms and conditions (including the power to sub delegate) and subject to any restrictions that the Security and Intercreditor Agent, that Receiver or that Delegate (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties and it shall not be bound to supervise, or be in any way responsible for any loss incurred by reason of any misconduct or default on the part of any such delegate or sub delegate.

12.3 Additional Security and Intercreditor Agents

(A) The Security and Intercreditor Agent may at any time appoint (and subsequently remove) any person to act as a separate trustee or as a co trustee jointly with it (i) if it considers that appointment to be in the interests of the Secured Parties; or (ii) for the purposes of conforming to any legal requirements, restrictions or conditions which the Security and Intercreditor Agent deems to be relevant or (iii) for obtaining or enforcing any judgment in any jurisdiction, and the Security and Intercreditor Agent shall give prior notice to KEL and each of the Agents of that appointment.

(B) Any person so appointed shall have the rights, powers and discretions (not exceeding those conferred on the Security and Intercreditor Agent by this Agreement) and the duties and obligations that are conferred or imposed by the instrument of appointment.

(C) The remuneration that the Security and Intercreditor Agent may pay to that person, and any costs and expenses (together with any applicable VAT) incurred by that person in performing its functions pursuant to that appointment shall, for the purposes of this Agreement, be treated as costs and expenses incurred by the Security and Intercreditor Agent.

13. CHANGES TO THE PARTIES

13.1 Assignments and transfers

No Party may assign any of its rights and benefits or transfer any of its rights, benefits and obligations in respect of any Finance Documents or the Liabilities except as permitted by this Clause 13 (*CHANGES TO THE PARTIES*).

13.2 Change of Creditor

Subject to Clause 13.3 (*Change of Agent*), a Finance Party may assign any of its rights and benefits or transfer by novation any of its rights, benefits and obligations in respect of any Finance Document to which it is party or the related Liabilities if that assignment or transfer is in accordance with the terms of the RCF Agreement or the HY Note Indenture, as applicable.

13.3 Change of Agent

No person shall become an Agent unless at the same time, it accedes to this Agreement as a RCF Agent or a HY Noteholder Trustee, as applicable, pursuant to Clause 13.4 (*Agent Accession Undertaking*).

13.4 Agent Accession Undertaking

With effect from the date of acceptance by the Security and Intercreditor Agent of an Agent Accession Undertaking or, if later, the date specified in that Agent Accession Undertaking, and otherwise with effect from the date specified in the Agent Accession Undertaking, in each case duly executed and delivered to the Parties by the relevant acceding party:

(A) any Party ceasing entirely to be an Agent shall be discharged from further obligations towards the Security and Intercreditor Agent and other Parties under this Agreement and their respective rights against one another shall be cancelled (except in each case for those rights which arose prior to that date); and

(B) as from that date, the replacement or new Agent shall assume the same obligations, and become entitled to the same rights, as if it had been an original Party to this Agreement in that capacity.

13.5 Additional Agents

(A) Each of the Parties appoints the Security and Intercreditor Agent to receive on its behalf each Agent Accession Undertaking delivered to the Security and Intercreditor Agent and the Security and Intercreditor Agent shall, subject to paragraph (B) below, as soon as reasonably practicable after receipt by it, sign and accept the same if it appears on its face to have been completed, executed and, where applicable, delivered in the form contemplated by this Agreement.

(B) The Security and Intercreditor Agent shall only be obliged to sign and accept an Agent Accession Undertaking received by it once it is satisfied that it has complied with all necessary “know your customer” or similar other checks under all applicable laws and regulations in relation to the accession by the prospective party to this Agreement.

(C) Each Party shall promptly upon the request of the Security and Intercreditor Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Security and Intercreditor Agent (for itself) from time to time in order for the Security

and Intercreditor Agent to carry out and be satisfied with the results of all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

14. COSTS AND EXPENSES

14.1 Security and Intercreditor Agent's ongoing costs

(A) In the event of (i) a Default; (ii) the Security and Intercreditor Agent considering it necessary or expedient; or (iii) the Security and Intercreditor Agent being requested by an Obligor or the Majority Creditors to undertake duties which the Security and Intercreditor Agent and KEL agree to be of an exceptional nature and/or outside the scope of the normal duties of the Security and Intercreditor Agent under the Finance Documents, KEL shall pay to the Security and Intercreditor Agent any additional remuneration (together with any applicable VAT) that may be agreed between them.

(B) If the Security and Intercreditor Agent and KEL fail to agree upon the nature of those duties or upon any additional remuneration, that dispute shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Security and Intercreditor Agent and approved by KEL or, failing approval, nominated (on the application of the Security and Intercreditor Agent) by the President for the time being of the Law Society of England and Wales (the costs of the nomination and of the investment bank being payable by KEL) and the determination of any investment bank shall be final and binding upon the parties to this Agreement.

14.2 Transaction expenses

KEL shall, within 15 Business Days, pay the Security and Intercreditor Agent the amount of all costs and expenses (including legal fees) (together with any applicable VAT) reasonably incurred by the Security and Intercreditor Agent and any Receiver or Delegate in connection with the negotiation, preparation, printing, execution, syndication and perfection of:

(A) this Agreement and any other documents referred to in this Agreement and the Transaction Security; and

(B) any other Finance Documents executed after the date of this Agreement.

14.3 Stamp taxes

KEL shall (in accordance with the terms of the other Finance Documents) pay and, within five Business Days of demand, indemnify the Security and Intercreditor Agent against any cost, loss or liability the Security and Intercreditor Agent incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

14.4 Interest on demand

If any Creditor or Obligor fails to pay any amount payable by it under this Agreement on its due date, interest shall accrue on the overdue amount (and be compounded with it) from the due date up to the date of actual payment (both before and after judgment and to the extent interest at a default rate is not otherwise being paid on that sum) at the rate which is one per cent. per annum over the rate at which the Security and Intercreditor Agent was being offered, by leading banks in the London interbank market, deposits in an amount comparable to the unpaid amounts in the currencies of those amounts for any period(s) that the Security and Intercreditor Agent may from time to time select.

14.5 Enforcement and preservation costs

KEL shall, within five Business Days of demand, pay to the Security and Intercreditor Agent the amount of all costs and expenses (including legal fees and together with any applicable VAT) incurred by it in connection with the enforcement of or the preservation of any rights under any Finance Document and the Transaction Security and any proceedings instituted by or against the Security and Intercreditor Agent as a consequence of taking or holding the Transaction Security or enforcing these rights.

15. INDEMNITIES

15.1 Obligors' indemnity

Each Obligor shall promptly indemnify the Security and Intercreditor Agent and every Receiver and Delegate against any cost, loss or liability (together with any applicable VAT) incurred by any of them:

(A) in relation to or as a result of:

(i) any failure by KEL to comply with obligations under Clause 14 (*COSTS AND EXPENSES*);

(ii) the taking, holding, protection or enforcement of the Transaction Security;

(iii) the exercise of any of the rights, powers, discretions and remedies vested in the Security and Intercreditor Agent, each Receiver and each Delegate by the Finance Documents or by law; or

(iv) any default by any Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents;

or

(B) which otherwise relates to any of the Secured Property or the performance of the terms of this Agreement (otherwise than as a result of its gross negligence or wilful misconduct).

Each Obligor expressly acknowledges and agrees that the continuation of its indemnity obligations under this Clause 15.1 (*Obligors' indemnity*) will not be prejudiced by any release or disposal under Clause 8.2 (*Distressed Disposals*) taking into account the operation of that Clause 8.2 (*Distressed Disposals*).

15.2 Priority of indemnity

The Security and Intercreditor Agent and every Receiver and Delegate may, in priority to any payment to the Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in Clause 15.1 (*Obligors' indemnity*) and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all moneys payable to it.

15.3 Creditors' indemnity

Each Creditor shall (in the proportion that the Liabilities due to it bears to the aggregate of the Liabilities due to all the Creditors for the time being (or, if the Liabilities due to each of those Creditors is zero, immediately prior to their being reduced to zero)), indemnify the Security and Intercreditor Agent and every Receiver and every Delegate, within three Business Days of demand, against any cost, loss or liability incurred by any of them (otherwise than by reason of the relevant Security and Intercreditor Agent's, Receiver's or Delegate's gross negligence or wilful misconduct in acting as Security and Intercreditor Agent, Receiver or Delegate under the Finance Documents and unless the relevant Security and Intercreditor Agent, Receiver or Delegate has already been reimbursed by an Obligor pursuant to a Finance Document) and the Obligors shall jointly and severally indemnify each Creditor against any payment made by it under this Clause 15 (*INDEMNITIES*).

15.4 Borrower's indemnity to Creditors

KEL shall promptly and as principal obligor indemnify each Creditor against any cost, loss or liability (together with any applicable VAT), whether or not reasonably foreseeable, incurred by any of them in relation to or arising out of the operation of Clause 8.2 (*Distressed Disposals*).

16. INFORMATION

16.1 Information and dealing

(A) The Creditors shall provide to the Security and Intercreditor Agent from time to time (through their respective Agents in the case of a Creditor) any information that the Security and Intercreditor Agent may reasonably specify as being necessary or desirable to enable the Security and Intercreditor Agent to perform its functions as trustee.

(B) Each Creditor shall deal with the Security and Intercreditor Agent exclusively through its Agent.

16.2 Disclosure

Notwithstanding any agreement to the contrary, each of the Obligors consents, until the Final Discharge Date, to the disclosure by any of the Creditors, the Agents and the Security and Intercreditor Agent to each other (whether or not through an Agent or the Security and Intercreditor Agent) of such information concerning the Obligors obtained by it in that capacity as any Creditor, any Agent or the Security and Intercreditor Agent shall see fit.

16.3 Notification of prescribed events

(A) If an Event of Default either occurs or ceases to be continuing the relevant Agent shall, upon becoming aware of that occurrence or cessation, notify the

Security and Intercreditor Agent and the Security and Intercreditor Agent shall, upon receiving that notification, notify each other Agent.

(B) If an Acceleration Event occurs the relevant Agent shall notify the Security and Intercreditor Agent and the Security and Intercreditor Agent shall, upon receiving that notification, notify each other Agent.

(C) If the Security and Intercreditor Agent enforces, or takes formal steps to enforce, any of the Transaction Security it shall notify each Party of that action.

(D) If any Creditor exercises any right it may have to enforce, or to take formal steps to enforce, any of the Transaction Security it shall notify the Security and Intercreditor Agent and the Security and Intercreditor Agent shall, upon receiving that notification, notify each Party of that action.

(E) If a Mandatory Prepayment is waived the relevant Agent shall notify the Security and Intercreditor Agent of the amount of the Mandatory Prepayment waived and the Security and Intercreditor Agent shall, upon receiving that notification, notify each other Agent.

17. NOTICES

17.1 Communications in writing

Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by fax or letter.

17.2 Security and Intercreditor Agent's communications with Creditors

The Security and Intercreditor Agent shall be entitled to carry out all dealings with the Creditors through their respective Agents and may give to the Agents, as applicable, any notice or other communication required to be given by the Security and Intercreditor Agent to a Creditor.

17.3 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Agreement is:

(A) in the case of KEL:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Fax: +1 441 292 4720
Attention: Company Secretary

c/o Kosmos Energy LLC
8176 Park Lane
Suite 500
Dallas
Texas 75231
USA
Fax: +1 214 445 9705
Attention: Jason Doughty

(B) in the case of the Security and Intercreditor Agent:

Address: BNP Paribas
16 Rue de Hanovre
75078 Paris Cedex 2
France

Fax: 33 1 42 98 49 25

Attention: Phoi-Van Phuong

Email: phoi-van.phuong@bnpparibas.com

(C) in the case of the RCF Agent:

Address: Standard Chartered Bank
5th Floor
1 Basinghall Avenue
London
EC2V 5DD

Fax: +44 207 885 3632

Attention: Matthew Breadon

(D) in the case of the HY Noteholder Trustee:

Address: Wilmington Trust, National Association
Corporate Capital Markets
50 South Sixth Street, Suite 1290
Minneapolis, Minnesota 55402

Attention: Kosmos Energy Ltd.

(E) in the case of each other Party, that notified in writing to the Security and Intercreditor Agent on or prior to the date on which it becomes a Party,

or any substitute address, fax number or department or officer which that Party may notify to the Security and Intercreditor Agent (or the Security and Intercreditor Agent may notify to the other Parties, if a change is made by the Security and Intercreditor Agent) by not less than five Business Days' notice.

17.4 Delivery

(A) Any communication or document made or delivered by one person to another under or in connection with this Agreement will only be effective:

(i) if by way of fax, when received in legible form; or

(ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 17.3 (*Addresses*), if addressed to that department or officer.

(B) Any communication or document to be made or delivered to the Security and Intercreditor Agent will be effective only when actually received by the Security and Intercreditor Agent and then only if it is expressly marked for the attention of the department or officer identified with the Security and Intercreditor Agent's signature below (or any substitute department or officer as the Security and Intercreditor Agent shall specify for this purpose).

(C) Any communication or document made or delivered to KEL in accordance with this Clause 17.4 (*Delivery*) will be deemed to have been made or delivered to each of the Obligors.

17.5 Notification of address and fax number

Promptly upon receipt of notification of an address and fax number or change of address or fax number pursuant to Clause 17.3 (*Addresses*) or changing its own address or fax number, the Security and Intercreditor Agent shall notify the other Parties.

17.6 Electronic communication

(A) Any communication to be made between the Security and Intercreditor Agent and an Agent or a Creditor under or in connection with this Agreement may be made by electronic mail or other electronic means, if the Security and Intercreditor Agent and the relevant Agent or Creditor:

(i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;

(ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(iii) notify each other of any change to their address or any other such information supplied by them.

(B) Any electronic communication made between the Security and Intercreditor Agent and an Agent or Creditor will be effective only when actually received in readable form and in the case of any electronic communication made by a Creditor or Agent to the Security and Intercreditor Agent only if it is addressed in such a manner as the Security and Intercreditor Agent shall specify for this purpose.

17.7 English language

(A) Any notice given under or in connection with this Agreement must be in English.

(B) All other documents provided under or in connection with this Agreement must be:

(i) in English; or

(ii) if not in English, and if so required by the Security and Intercreditor Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

(C) The Security and Intercreditor Agent and/or receiving party shall be entitled to assume the accuracy of and rely upon any English translation of any document provided pursuant to this Clause 17.7 (*English language*) and the English translation shall prevail unless the document is a statutory or other official document. Translation costs are for the account of the Obligors.

18. PRESERVATION

18.1 Partial invalidity

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of that provision under the law of any other jurisdiction will in any way be affected or impaired.

18.2 No impairment

If, at any time after its date, any provision of this Agreement is not binding on or enforceable in accordance with its terms against a person expressed to be a party to that Finance Document, neither the binding nature nor the enforceability of that provision or any other provision of that Finance Document will be impaired as against the other party or parties to that Finance Document.

18.3 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of any Party, any right or remedy under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

18.4 Waiver of defences

The provisions of this Agreement will not be affected by an act, omission, matter or thing which, but for this Clause 18.4 (*Waiver of defences*), would reduce, release or prejudice the ranking of liabilities and priorities expressed to be created by this Agreement including (without limitation and whether or not known to any Party):

(A) any time, waiver or consent granted to, or composition with, any Obligor or other person;

(B) the release of any Obligor or any other person under the terms of any composition or arrangement with any creditor of any Obligor;

(C) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non presentation or non observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;

(D) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Obligor or other person;

(E) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Finance Document or any other document or security;

(F) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security;

(G) any intermediate Payment of any of the Liabilities owing to the Creditors in whole or in part; or

(H) any insolvency or similar proceedings.

18.5 Priorities not affected

Except as otherwise provided in this Agreement the priorities referred to in Clause 2 (*RANKING AND PRIORITY*) will:

(A) not be affected by any reduction or increase in the principal amount secured by the Transaction Security in respect of the Liabilities owing to the Creditors or by any intermediate reduction or increase in, amendment or variation to any of the Finance Documents, or by any variation or satisfaction of, any of the Liabilities or any other circumstances;

(B) apply regardless of the order in which or dates upon which this Agreement and the other Finance Documents are executed or registered or notice of them is given to any person; and

(C) secure the Liabilities owing to the Creditors in the order specified, regardless of the date upon which any of the Liabilities arise or of any fluctuations in the amount of any of the Liabilities outstanding.

19. CONSENTS, AMENDMENTS AND OVERRIDE

19.1 Required consents

(A) Subject to paragraph (B) below, to Clause 19.4 (*Exceptions*) and to Clause 19.5 (*Snooze/Lose*), this Agreement may be amended or waived only with the consent of the Majority Creditors.

(B) An amendment or waiver that has the effect of changing or which relates to Clause 11 (*THE SECURITY AND INTERCREDITOR AGENT*), Clause 12 (*CHANGE OF SECURITY AND INTERCREDITOR AGENT AND DELEGATION*), Clause 15.1 (*Obligors' indemnity*), Clause 15.2 (*Priority of indemnity*), Clause 15.3 (*Creditors' indemnity*) or this paragraph (B) shall not be made without the consent of the Security and Intercreditor Agent.

(C) An amendment or waiver that has the effect of changing or which relates to Clause 2 (*RANKING AND PRIORITY*), Clause 3 (*CREDITORS AND LIABILITIES)*, Clause 5.1 (*Turnover by the Creditors*), Clause 5.4 (*Saving provision*), Clause 6 (*REDISTRIBUTION*), Clause 7 (*ENFORCEMENT OF TRANSACTION SECURITY*), Clause 3.5 (*Option to purchase: HY Noteholders*), Clause 10 (*APPLICATION OF PROCEEDS*), paragraphs 11.3(D)(iii), 11.3(E) and 11.3(F) (*Instructions to Security and Intercreditor Agent and exercise of discretion*) or

this Clause 19 (*CONSENTS, AMENDMENTS AND OVERRIDE*), shall not be made without the consent of the Instructing Group.

19.2 Amendments and Waivers: Security Documents and KEFI Intercreditor Agreement

(A) Subject to paragraph (B) below and to Clause 19.4 (*Exceptions*) and unless the provisions of any Finance Document expressly provide otherwise, the Security and Intercreditor Agent may, if authorised by an Instructing Group, and if KEL consents, amend the terms of, waive any of the requirements of or grant consents under, any of the Security Documents or the KEFI Intercreditor Agreement which shall be binding on each Party.

(B) Subject to paragraph 19.4(C) (*Exceptions*), the prior consent of the Creditors is required to authorise any amendment or waiver of, or consent under, any Security Document which would affect the nature or scope of the Charged Property or the manner in which the proceeds of enforcement of the Transaction Security are distributed.

19.3 Effectiveness

Any amendment, waiver or consent given in accordance with this Clause 19 (*CONSENTS, AMENDMENTS AND OVERRIDE*) will be binding on all Parties, each Obligor and each Creditor and the Security and Intercreditor Agent may effect, on behalf of any Agent or Creditor, any amendment, waiver or consent permitted by this Clause 19 (*CONSENTS, AMENDMENTS AND OVERRIDE*).

19.4 Exceptions

(A) Subject to paragraph (C) below, if the amendment, waiver or consent may impose new or additional obligations on or withdraw or reduce the rights of any Party other than:

(i) in the case of a Creditor, in a way which affects or would affect Creditors of that Party's class generally; or

(ii) in the case of an Obligor, to the extent consented to by KEL under paragraph 19.2(A) (*Amendments and Waivers: Security Documents and KEFI Intercreditor Agreement*),

the consent of that Party is required.

(B) Subject to paragraph (C) below, an amendment, waiver or consent which relates to the rights or obligations of an Agent or the Security and Intercreditor Agent (including, without limitation, any ability of the Security and Intercreditor Agent to act in its discretion under this Agreement) may not be effected without the consent of that Agent or, as the case may be, the Security and Intercreditor Agent.

(C) Neither paragraph (A) nor (B) above, nor Clause 19.2(B) (*Amendments and Waivers: Security Documents and KEFI Intercreditor Agreement*) shall apply:

(i) to any release of Transaction Security, claim or Liabilities; or

(ii) to any consent

which, in each case, the Security and Intercreditor Agent gives in accordance with Clause 8 (*DISPOSALS*).

19.5 Enforcement Action

(A) For the avoidance of doubt, as between on the one hand, the Finance Party and, on the other hand, the Obligors, nothing in this Agreement shall give the Finance Parties a greater or any additional right in relation to taking a particular Enforcement Action (including as to the time at which such Enforcement Action may be taken and/or the circumstances under which any Enforcement Action may be taken) than exists under the terms of the other Finance Documents or at law.

(B) Notwithstanding any provision of this Agreement to the contrary, should the HY Note Indenture be qualified under the Trust Indenture Act or otherwise subject to Section 316 of the Trust Indenture Act, the right of any HY Noteholder to:

(i) receive payment of the principal of and interest on the HY Notes held by them, on or after the respective due dates expressed in the HY Note Indenture; or

(ii) to institute suit for the enforcement of any such payment on or after such respective dates (giving rise, if such payment or part thereof is recovered, to a "**HY Enforcement Recovery**"),

shall not be impaired or affected without the consent of such HY Noteholder, except to the extent permitted by the Trust Indenture Act. Clause 5.1 (Turnover by the Creditors) shall apply to any HY Enforcement Recovery, which shall be paid to the Security and Intercreditor Agent for application in accordance with Clause 10 (APPLICATION OF PROCEEDS) and the other terms of this Agreement.

19.6 Snooze/Lose

(A) If in relation to:

(i) a request for a Consent in relation to any of the terms of this Agreement;

(ii) a request to participate in any other vote of Creditors under the terms of this Agreement;

(iii) a request to approve any other action under this Agreement; or

(iv) a request to provide any confirmation or notification under this Agreement;

any Creditor:

(1) fails to respond to that request within 10 Business Days of that request being made; or

(2) (in the case of paragraphs (i) to (iii) above and if so requested by the Security and Intercreditor Agent), fails to provide details of its Credit Participation to the Security and Intercreditor Agent within the timescale specified by the Security and Intercreditor Agent:

(v) in the case of paragraphs (i) to (iii) above, that Creditor's Credit Participation (as the case may be) shall be deemed to be zero for the purpose of calculating the Credit Participations when ascertaining whether any relevant percentage of Credit Participations has been obtained to give that Consent, carry that vote or approve that action;

(vi) in the case of paragraph (iv) above, that confirmation or notification shall be deemed to have been given.

19.7 Disenfranchisement of Sponsor Affiliates

(A) For so long as a Sponsor Affiliate beneficially owns a Commitment or Credit Participation or (ii) has entered into a sub-participation agreement relating to a Commitment or Credit Participation or other agreement or arrangement having a substantially similar economic effect and such agreement or arrangement has not been terminated:

(i) in ascertaining:

(a) an Instructing Group or the Majority Creditors; or

(b) whether:

(1) any relevant percentage of Commitments or Credit Participations; or

(2) the agreement of any specified group of Creditors,

has been obtained to approve any request for a Consent or to carry any other vote or approve any action under this Agreement,

that Commitment or Credit Participation shall be deemed to be zero and, subject to paragraph (ii) below, that Sponsor Affiliate (or the person

with whom it has entered into that sub-participation, other agreement or arrangement (a "**Counterparty**")) shall be deemed not to be a Creditor.

(ii) Paragraph (A) above shall not apply to the extent that a Counterparty (other than a Sponsor Affiliate) is a Creditor by virtue otherwise than by beneficially owning the relevant Commitment or Credit Participation.

(B) Each Sponsor Affiliate that is a Creditor agrees that:

(i) in relation to any meeting or conference call to which all the Creditors are invited to attend or participate, it shall not attend or participate in the same if so requested by the Security and Intercreditor Agent or, unless the Security and Intercreditor Agent otherwise agrees, be entitled to receive the agenda or any minutes of the same; and

(ii) it shall not, unless the Security and Intercreditor Agent otherwise agrees, be entitled to receive any report or other document prepared at the behest of, or on the instructions of, the Security and Intercreditor Agent or one or more of the Creditors.

19.8 Calculation of Credit Participations

For the purpose of ascertaining whether any relevant percentage of Credit Participations has been obtained under this Agreement, the Security and Intercreditor Agent may notionally convert the Credit Participations into their Dollar Currency Amounts.

19.9 No liability

None of the Creditors, the HY Noteholder Trustee or the RCF Agent will be liable to any other Creditor, Agent or Obligor for any Consent given or deemed to be given under this Clause 19 (*CONSENTS, AMENDMENTS AND OVERRIDE*).

19.10 Agreement to override

Unless expressly stated otherwise in this Agreement, this Agreement overrides anything in the Finance Documents to the contrary, except for the KEFI Intercreditor Agreement, which shall prevail in the event that there is any conflict between it and this Agreement.

20. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

21. GOVERNING LAW

This Agreement, and any non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with English law.

22. JURISDICTION

22.1 Submission

The parties hereby irrevocably agree for the exclusive benefit of the Secured Parties that the courts of England shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement, or any non-contractual obligations arising out of or in connection with it) (a "**Dispute**").

22.2 Forum convenience

The parties hereby irrevocably agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly irrevocably agree not to argue to the contrary.

22.3 Concurrent jurisdiction

This Clause 22 (*JURISDICTION*) is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions

23. SERVICE OF PROCESS

(A) Without prejudice to any other mode of service allowed under any relevant law, each Obligor (unless incorporated in England and Wales):

(i) irrevocably appoints Trusec Limited of 2 Lambs Passage, London, EC1Y 8BB as its agent for service of process in relation to any proceedings before the English courts in connection with this Agreement; and

(ii) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned;

(B) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, KEL (in the case of an agent for service of process for an Obligor), must immediately (and in any event within 30 days of such event taking place) appoint another agent on terms acceptable to the RCF Agent. Failing this, the RCF Agent may appoint another agent for this purpose.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1
FORM OF AGENT ACCESSION UNDERTAKING

To: **BNP PARIBAS** as Security and Intercreditor Agent for itself and each of the other parties to the Intercreditor Agreement referred to below.

To: **STANDARD CHARTERED BANK** as RCF Agent.

To: **WILMINGTON TRUST, NATIONAL ASSOCIATION** as HY Noteholder Trustee.

From: [*Acceding Agent*]

THIS UNDERTAKING is made on [*date*] by [*insert full name of new Agent*] (the "**Acceding Agent**") in relation to the intercreditor agreement (the "**Intercreditor Agreement**") dated [•] 2012 between, among others, [•] as Security and Intercreditor Agent, [•] as RCF Agent and [•] as HY Noteholder Trustee, (each as defined in the Intercreditor Agreement). Terms defined in the Intercreditor Agreement shall, unless otherwise defined in this Undertaking,

bear the same meanings when used in this Undertaking.

In consideration of the Acceding Agent being accepted as an Agent for the purposes of the Intercreditor Agreement, the Acceding Agent confirms that, as from [date], it intends to be party to the Intercreditor Agreement as an Agent and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by an Agent and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

This Undertaking is governed by English law.

THIS UNDERTAKING has been entered into on the date stated above and is delivered on the date stated above].

Acceding Agent

[*insert full name of Acceding Agent*]

By:

Address:

Fax:

Accepted by the Security and Intercreditor Agent

____

for and on behalf of

BNP PARIBAS

Date:

Accepted by the RCF Agent

____

for and on behalf of

STANDARD CHARTERED BANK

Date:

Accepted by the HY Noteholder Trustee

____

for and on behalf of

WILMINGTON TRUST, NATIONAL ASSOCIATION

Date:

SIGNATURES

The RCF Borrower

KOSMOS ENERGY LTD.

By: /s/ W. Greg Dunlevy

Name: W. Greg Dunlevy
Title: Chief Financial Officer and Executive Vice President

The HY Note Issuer

KOSMOS ENERGY LTD.

By: /s/ W. Greg Dunlevy

Name: W. Greg Dunlevy
Title: Chief Financial Officer and Executive Vice President

The Security and Intercreditor Agent

BNP PARIBAS

By: /s/ Thierry Bonnel /s/ Isabelle Blandin

Name: Thierry Bonnel Isabelle Blandin
Title: Head of Agency

The RCF Agent

STANDARD CHARTERED BANK

By: /s/ Taimur Baig

Name: Taimur Baig
Title: Director

The HY Noteholder Trustee

WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its individual capacity but solely as Trustee under and pursuant to the HY Note Indenture

By: /s/ Hallie E. Field

Name: Hallie E. Field
Title: Banking Officer