

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2013

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-35167



**Kosmos Energy Ltd.**

(Exact name of registrant as specified in its charter)

**Bermuda**

(State or other jurisdiction of incorporation or organization)

**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, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class

Outstanding at July 29, 2013

Common Shares, \$0.01 par value

387,852,126

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*Unless otherwise stated in this report, references to “Kosmos,” “we,” “us” or “the company” refer to Kosmos Energy Ltd. and its subsidiaries. We have provided definitions for some of the industry terms used in this report in the “Glossary and Selected Abbreviations” beginning on page 2.*

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**KOSMOS ENERGY LTD.  
GLOSSARY AND SELECTED ABBREVIATIONS**

The following are abbreviations and definitions of certain terms that may be used in this report. Unless listed below, all defined terms under Rule 4-10(a) of Regulation S-X shall have their statutorily prescribed meanings.

<i>“2D seismic data”</i>	Two-dimensional seismic data, serving as interpretive data that allows a view of a vertical cross-section beneath a prospective area.
<i>“3D seismic data”</i>	Three-dimensional seismic data, serving as geophysical data that depicts the subsurface strata in three dimensions. 3D seismic data typically provides a more detailed and accurate interpretation of the subsurface strata than 2D seismic data.
<i>“API”</i>	A specific gravity scale, expressed in degrees, that denotes the relative density of various petroleum liquids. The scale increases inversely with density. Thus lighter petroleum liquids will have a higher API than heavier ones.
<i>“ASC”</i>	Financial Accounting Standards Board Accounting Standards Codification.
<i>“ASU”</i>	Financial Accounting Standards Board Accounting Standards Update.
<i>“Barrel” or “Bbl”</i>	A standard measure of volume for petroleum corresponding to approximately 42 gallons at 60 degrees Fahrenheit.
<i>“BBbl”</i>	Billion barrels of oil.
<i>“BBoe”</i>	Billion barrels of oil equivalent.
<i>“Bcf”</i>	Billion cubic feet.
<i>“Boe”</i>	Barrels of oil equivalent. Volumes of natural gas converted to barrels of oil using a conversion factor of 6,000 cubic feet of natural gas to one barrel of oil.
<i>“Boepd”</i>	Barrels of oil equivalent per day.
<i>“Bopd”</i>	Barrels of oil per day.
<i>“Bwpd”</i>	Barrels of water per day.
<i>“Debt cover ratio”</i>	The “debt cover ratio” is broadly defined, for each applicable calculation date, as the ratio of (x) total long-term debt less cash and cash equivalents and restricted cash, to (y) the aggregate EBITDAX (see below) of the Company for the previous twelve months.
<i>“Developed acreage”</i>	The number of acres that are allocated or assignable to productive wells or wells capable of production.
<i>“Development”</i>	The phase in which an oil or natural gas field is brought into production by drilling development wells and installing appropriate production systems.
<i>“Dry hole”</i>	A well that has not encountered a hydrocarbon bearing reservoir expected to produce in commercial quantities.
<i>“EBITDAX”</i>	Net income (loss) plus (1) exploration expense, (2) depletion, depreciation and amortization expense, (3) equity-based compensation expense, (4) (gain) loss on commodity derivatives, (5) (gain) loss on sale of oil and gas properties, (6) interest (income) expense, (7) income taxes, (8) loss on extinguishment of debt, (9) doubtful accounts expense, and (10) similar items.
<i>“E&amp;P”</i>	Exploration and production.
<i>“FASB”</i>	Financial Accounting Standards Board.
<i>“Farm-in”</i>	An agreement whereby an oil company acquires a portion of the participating interest in a block from the owner of such interest, usually in return for cash and for taking on a portion of the drilling costs of one or more specific wells or other performance by the assignee as a condition of the assignment.
<i>“Field life cover ratio”</i>	The “field life cover ratio” is broadly defined, for each applicable forecast period, as the ratio of (x) net present value of net cash flow through the depletion of the Jubilee Field plus the net present value of certain

capital expenditures incurred in relation to the Jubilee Field and certain other fields in Ghana, to (y) the aggregate loan amounts outstanding under the Facility.

*“FPSO”*

Floating production, storage and offloading vessel.

*“Ghana Obligors”*

Kosmos Energy Operating, Kosmos Energy International, Kosmos Energy Finance International, Kosmos Energy Development, Kosmos Energy Ghana HC and an “Obligor” from time to time, as defined under the Facility Agreement, as amended and restated, dated November 23, 2012.

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<i>“Interest cover ratio”</i>	The “interest cover ratio” is broadly defined, for each applicable calculation date, as the ratio of (x) the aggregate EBITDAX (see above) of the Company for the previous twelve months, to (y) interest expense less interest income for the Company for the previous twelve months.
<i>“Loan life cover ratio”</i>	The “loan life cover ratio” is broadly defined, for each applicable forecast period, as the ratio of (x) net present value of net cash flow through the final maturity date of the Facility plus the net present value of capital expenditures incurred in relation to the Jubilee Field and certain other fields in Ghana, to (y) the aggregate loan amounts outstanding under the Facility.
<i>“MBbl”</i>	Thousand barrels of oil.
<i>“Mcf”</i>	Thousand cubic feet of natural gas.
<i>“Mcfpd”</i>	Thousand cubic feet per day of natural gas.
<i>“MMBbl”</i>	Million barrels of oil.
<i>“MMBoe”</i>	Million barrels of oil equivalent.
<i>“MMcf”</i>	Million cubic feet of natural gas.
<i>“Natural gas liquid” or “NGL”</i>	Components of natural gas that are separated from the gas state in the form of liquids. These include propane, butane, and ethane, among others.
<i>“Petroleum contract”</i>	A contract in which the owner of minerals gives an E&P company temporary and limited rights, including an exclusive option to explore for, develop, and produce minerals from the lease area.
<i>“Petroleum system”</i>	A petroleum system consists of organic material that has been buried at a sufficient depth to allow adequate temperature and pressure to expel hydrocarbons and cause the movement of oil and natural gas from the area in which it was formed to a reservoir rock where it can accumulate.
<i>“Plan of development” or “PoD”</i>	A written document outlining the steps to be undertaken to develop a field.
<i>“Productive well”</i>	An exploratory or development well found to be capable of producing either oil or natural gas in sufficient quantities to justify completion as an oil or natural gas well.
<i>“Prospect(s)”</i>	A potential trap that may contain hydrocarbons and is supported by the necessary amount and quality of geologic and geophysical data to indicate a probability of oil and/or natural gas accumulation ready to be drilled. The five required elements (generation, migration, reservoir, seal and trap) must be present for a prospect to work and if any of them fail neither oil nor natural gas will be present, at least not in commercial volumes.
<i>“Proved reserves”</i>	Estimated quantities of crude oil, natural gas and natural gas liquids that geological and engineering data demonstrate with reasonable certainty to be economically recoverable in future years from known reservoirs under existing economic and operating conditions, as well as additional reserves expected to be obtained through confirmed improved recovery techniques, as defined in SEC Regulation S-X 4-10(a)(2).
<i>“Proved developed reserves”</i>	Proved developed reserves are those proved reserves that can be expected to be recovered through existing wells and facilities and by existing operating methods.
<i>“Proved undeveloped reserves”</i>	Proved undeveloped reserves are those proved reserves that are expected to be recovered from future wells and facilities, including future improved recovery projects which are anticipated with a high degree of certainty in reservoirs which have previously shown favorable response to improved recovery projects.
<i>“Reconnaissance contract”</i>	A contract in which the owner of minerals gives an E&P company rights to perform evaluation of existing data or potentially acquire additional data but does not convey an exclusive option to explore for, develop, and/or produce minerals from the lease area.
<i>“Shelf margin”</i>	The path created by the change in direction of the shoreline in reaction to the filling of a sedimentary basin.
<i>“Structural trap”</i>	A structural trap is a topographic feature in the earth’s subsurface that forms a high point in the rock strata. This facilitates the accumulation of oil and gas in the strata.
<i>“Structural-stratigraphic trap”</i>	A structural-stratigraphic trap is a combination trap with structural and stratigraphic features.
<i>“Stratigraphy”</i>	The study of the composition, relative ages and distribution of layers of sedimentary rock.
<i>“Stratigraphic trap”</i>	A stratigraphic trap is formed from a change in the character of the rock rather than faulting or folding of the

rock and oil is held in place by changes in the porosity and permeability of overlying rocks.

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<i>“Submarine fan”</i>	A fan-shaped deposit of sediments occurring in a deep water setting where sediments have been transported via mass flow, gravity induced, processes from the shallow to deep water. These systems commonly develop at the bottom of sedimentary basins or at the end of large rivers.
<i>“Three-way fault trap”</i>	A structural trap where at least one of the components of closure is formed by offset of rock layers across a fault.
<i>“Trap”</i>	A configuration of rocks suitable for containing hydrocarbons and sealed by a relatively impermeable formation through which hydrocarbons will not migrate.
<i>“Undeveloped acreage”</i>	Lease acreage on which wells have not been drilled or completed to a point that would permit the production of commercial quantities of natural gas and oil regardless of whether such acreage contains discovered resources.



**KOSMOS ENERGY LTD.**  
**CONSOLIDATED BALANCE SHEETS**

(In thousands, except share data)

	June 30, 2013 (Unaudited)	December 31, 2012
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 508,874	\$ 515,164
Restricted cash	19,376	21,341
Receivables:		
Joint interest billings	36,032	21,539
Oil sales	—	108,995
Other	9,710	3,682
Inventories	53,482	33,281
Prepaid expenses and other	14,409	10,470
Current deferred tax assets	9,275	34,585
Derivatives	1,254	1,061
<b>Total current assets</b>	<b>652,412</b>	<b>750,118</b>
Property and equipment:		
Oil and gas properties, net	1,465,723	1,510,312
Other property, net	16,241	15,450
<b>Property and equipment, net</b>	<b>1,481,964</b>	<b>1,525,762</b>
Other assets:		
Restricted cash	29,884	29,884
Deferred financing costs, net of accumulated amortization of \$19,405 and \$13,922 at June 30, 2013 and December 31, 2012, respectively	45,682	50,214
Long-term deferred tax assets	13,653	10,145
Derivatives	2,135	—
<b>Total assets</b>	<b>\$ 2,225,730</b>	<b>\$ 2,366,123</b>
<b>Liabilities and shareholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 63,955	\$ 128,855
Accrued liabilities	71,812	41,021
Derivatives	7,000	20,377
<b>Total current liabilities</b>	<b>142,767</b>	<b>190,253</b>
Long-term liabilities:		
Long-term debt	900,000	1,000,000
Derivatives	1,202	3,226
Asset retirement obligations	32,602	27,484
Deferred tax liability	129,241	104,137
Other long-term liabilities	18,492	12,117
<b>Total long-term liabilities</b>	<b>1,081,537</b>	<b>1,146,964</b>
Shareholders' equity:		
Preference shares, \$0.01 par value; 200,000,000 authorized shares; zero issued at June 30, 2013 and December 31, 2012	—	—
Common shares, \$0.01 par value; 2,000,000,000 authorized shares; 391,867,410 and 391,423,703 issued at June 30, 2013 and December 31, 2012, respectively	3,919	3,914
Additional paid-in capital	1,749,461	1,712,880
Accumulated deficit	(733,898)	(683,176)
Accumulated other comprehensive income	2,968	3,685
Treasury stock, at cost, 4,041,831 and 2,731,941 shares at June 30, 2013 and December 31, 2012, respectively	(21,024)	(8,397)
<b>Total shareholders' equity</b>	<b>1,001,426</b>	<b>1,028,906</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 2,225,730</b>	<b>\$ 2,366,123</b>

See accompanying notes.

**KOSMOS ENERGY LTD.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands, except per share data)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Revenues and other income:				
Oil and gas revenue	\$ 193,413	\$ 112,214	\$ 421,479	\$ 227,985
Interest income	44	282	114	1,028
Other income	321	175	575	205
Total revenues and other income	193,778	112,671	422,168	229,218
Costs and expenses:				
Oil and gas production	22,674	19,592	47,075	26,918
Exploration expenses	93,050	16,901	116,346	56,545
General and administrative	43,111	34,799	83,141	74,122
Depletion and depreciation	58,562	32,999	117,211	64,648
Amortization—deferred financing costs	2,785	2,194	5,483	4,388
Interest expense	10,017	10,446	19,008	23,504
Derivatives, net	(12,707)	(1,982)	(7,199)	1,878
Other expenses, net	849	44	1,481	792
Total costs and expenses	218,341	114,993	382,546	252,795
Income (loss) before income taxes	(24,563)	(2,322)	39,622	(23,577)
Income tax expense	46,253	22,521	90,344	38,807
Net loss	\$ (70,816)	\$ (24,843)	\$ (50,722)	\$ (62,384)
Net loss per share:				
Basic	\$ (0.19)	\$ (0.07)	\$ (0.13)	\$ (0.17)
Diluted	\$ (0.19)	\$ (0.07)	\$ (0.13)	\$ (0.17)
Weighted average number of shares used to compute net loss per share:				
Basic	376,563	370,720	375,927	369,973
Diluted	376,563	370,720	375,927	369,973

See accompanying notes.

**KOSMOS ENERGY LTD.**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

(In thousands)

(Unaudited)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Net loss	\$ (70,816)	\$ (24,843)	\$ (50,722)	\$ (62,384)
Other comprehensive income (loss):				
Reclassification adjustments for derivative (gains) losses included in net loss	(358)	214	(717)	428
Other comprehensive income (loss)	(358)	214	(717)	428
Comprehensive loss	<u>\$ (71,174)</u>	<u>\$ (24,629)</u>	<u>\$ (51,439)</u>	<u>\$ (61,956)</u>

See accompanying notes.

**KOSMOS ENERGY LTD.**  
**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**

(In thousands)

(Unaudited)

	Common Shares		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Treasury Stock	Total
	Shares	Amount					
Balance as of December 31, 2012	391,424	\$ 3,914	\$ 1,712,880	\$ (683,176)	\$ 3,685	\$ (8,397)	\$ 1,028,906
Equity-based compensation	—	—	37,000	—	—	—	37,000
Derivatives, net	—	—	—	—	(717)	—	(717)
Restricted stock awards and units	443	5	(5)	—	—	—	—
Restricted stock forfeitures	—	—	2	—	—	(2)	—
Purchase of treasury stock	—	—	(416)	—	—	(12,625)	(13,041)
Net loss	—	—	—	(50,722)	—	—	(50,722)
Balance as of June 30, 2013	<u>391,867</u>	<u>\$ 3,919</u>	<u>\$ 1,749,461</u>	<u>\$ (733,898)</u>	<u>\$ 2,968</u>	<u>\$ (21,024)</u>	<u>\$ 1,001,426</u>

See accompanying notes.

**KOSMOS ENERGY LTD.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In thousands)

(Unaudited)

	Six Months Ended June 30,	
	2013	2012
<b>Operating activities</b>		
Net loss	\$ (50,722)	\$ (62,384)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depletion, depreciation and amortization	122,694	69,036
Deferred income taxes	52,646	33,447
Unsuccessful well costs	85,668	19,237
Change in fair value of derivatives	(3,302)	14
Cash settlements on derivatives	(15,144)	(7,081)
Equity-based compensation	37,000	38,851
Other	2,827	4,983
Changes in assets and liabilities:		
Decrease in receivables	88,092	155,884
Increase in inventories	(11,927)	(14,075)
Increase in prepaid expenses and other	(3,939)	(1,344)
Decrease in accounts payable	(64,900)	(66,536)
Increase (decrease) in accrued liabilities	37,877	(9,347)
Net cash provided by operating activities	<u>276,870</u>	<u>160,685</u>
<b>Investing activities</b>		
Oil and gas assets	(166,581)	(188,075)
Other property	(3,278)	(6,912)
Restricted cash	1,965	793
Net cash used in investing activities	<u>(167,894)</u>	<u>(194,194)</u>
<b>Financing activities</b>		
Payment on long-term debt	(100,000)	—
Purchase of treasury stock	(13,041)	(8,378)
Deferred financing costs	(2,225)	(1,254)
Net cash used in financing activities	<u>(115,266)</u>	<u>(9,632)</u>
Net decrease in cash and cash equivalents	(6,290)	(43,141)
Cash and cash equivalents at beginning of period	515,164	673,092
Cash and cash equivalents at end of period	<u>\$ 508,874</u>	<u>\$ 629,951</u>
<b>Supplemental cash flow information</b>		
Cash paid for:		
Interest	\$ 17,198	\$ 21,339
Income taxes	\$ 28,722	\$ 16,620

See accompanying notes.

## KOSMOS ENERGY LTD.

### Notes to Consolidated Financial Statements (Unaudited)

#### 1. Organization

Kosmos Energy Ltd. was incorporated pursuant to the laws of Bermuda in January 2011 to become a holding company for Kosmos Energy Holdings. Kosmos Energy Holdings is a privately held Cayman Islands company that was formed in March 2004. As a holding company, Kosmos Energy Ltd.'s management operations are conducted through a wholly owned subsidiary, Kosmos Energy, LLC. The terms "Kosmos," the "Company," "we," "us," "our," "ours," and similar terms refer to Kosmos Energy Ltd. and its wholly owned subsidiaries, unless the context indicates otherwise.

We are a leading independent oil and gas exploration and production company focused on frontier and emerging areas along the Atlantic Margin. Our asset portfolio includes existing production and other major project developments offshore Ghana, as well as exploration licenses with significant hydrocarbon potential offshore Ireland, Mauritania, Morocco and Suriname. Kosmos is listed on the New York Stock Exchange and is traded under the ticker symbol KOS.

We have one reportable segment, which is the exploration and production of oil and natural gas. Substantially all of our long-lived assets and product sales are related to production located offshore Ghana.

#### 2. Accounting Policies

##### General

The interim-period financial information presented in the consolidated financial statements included in this report is unaudited and, in the opinion of management, includes all adjustments of a normal recurring nature necessary to present fairly the consolidated financial position as of June 30, 2013, the changes in the consolidated statements of shareholders' equity for the six months ended June 30, 2013, the consolidated results of operations for the three and six months ended June 30, 2013 and 2012, and consolidated cash flows for the six months ended June 30, 2013 and 2012. The results of the interim periods shown in this report are not necessarily indicative of the final results to be expected for the full year. The consolidated financial statements were prepared in accordance with the requirements of the Securities and Exchange Commission ("SEC") for interim reporting. As permitted under those rules, certain notes or other financial information that are normally required by Generally Accepted Accounting Principles ("GAAP") have been condensed or omitted from these interim consolidated financial statements. These consolidated financial statements and the accompanying notes should be read in conjunction with our audited consolidated financial statements for the year ended December 31, 2012, included in our annual report on Form 10-K.

##### Reclassifications

Certain prior period amounts have been reclassified to conform with the current year presentation. Such reclassifications had no impact on our reported net loss, current assets, total assets, current liabilities, total liabilities or shareholders' equity.

##### Restricted Cash

In accordance with our commercial debt facility, we are required to maintain a restricted cash balance that is sufficient to meet the payment of interest and fees for the next six-month period. As of June 30, 2013 and December 31, 2012, we had \$19.4 million and \$21.3 million, respectively, in current restricted cash to meet this requirement. In addition, in accordance with certain of our petroleum contracts, we have posted letters of credit related to performance guarantees for our minimum work obligations. These letters of credit are cash collateralized in accounts held by us and as such are classified as restricted cash. Upon completion of the minimum work obligations and/or entering into the next phase of the petroleum contract, the requirement to post letters of credit will be satisfied and the cash collateral will be released. As of June 30, 2013 and December 31, 2012, we had \$29.9 million of long-term restricted cash used to cash collateralize performance guarantees related to our petroleum agreements.

##### Inventories

Inventories consisted of \$32.4 million and \$33.1 million of materials and supplies and \$21.1 million and \$0.2 million of hydrocarbons as of June 30, 2013 and December 31, 2012, respectively. The Company's materials and supplies inventory primarily consists of casing and wellheads and is stated at the lower of cost, using the weighted average cost method, or market.

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Hydrocarbon inventory is carried at the lower of cost, using the weighted average cost method, or market. Hydrocarbon inventory costs include expenditures and other charges (including depletion) directly and indirectly incurred in bringing the inventory to its existing condition. Selling expenses and general and administrative expenses are reported as period costs and excluded from inventory costs.

### Variable Interest Entity

Our wholly owned subsidiary, Kosmos Energy Finance International, is a variable interest entity (“VIE”). The Company is the primary beneficiary of this VIE, which is consolidated in these financial statements.

Kosmos Energy Finance International’s following assets and liabilities are shown separately on the face of the consolidated balance sheet as of June 30, 2013 and December 31, 2012: current restricted cash; long-term derivatives assets; long-term debt; and current and long-term derivatives liabilities. At June 30, 2013, Kosmos Energy Finance International had \$37.5 million in cash and cash equivalents; \$0.5 million in prepaid expenses and other; \$1.3 million current derivative assets; \$38.2 million deferred financing costs, net; \$0.3 million in accounts payable; \$0.2 million in accrued liabilities and \$7.6 million in other long-term liabilities, which are included in the amounts shown on the face of the consolidated balance sheet. At December 31, 2012, Kosmos Energy Finance International had \$118.8 million in cash and cash equivalents; \$0.2 million in prepaid expenses and other; \$42.2 million deferred financing costs, net; \$0.5 million in accrued liabilities and \$6.6 million in other long-term liabilities, which are included in the amounts shown on the face of the consolidated balance sheet.

### 3. Property and Equipment

Property and equipment is stated at cost and consisted of the following:

	June 30, 2013	December 31, 2012
	(In thousands)	
Oil and gas properties:		
Proved properties	\$ 730,977	\$ 682,276
Unproved properties	465,900	454,391
Support equipment and facilities	706,090	687,835
Total oil and gas properties	1,902,967	1,824,502
Less: accumulated depletion	(437,244)	(314,190)
Oil and gas properties, net	1,465,723	1,510,312
Other property	30,366	27,316
Less: accumulated depreciation	(14,125)	(11,866)
Other property, net	16,241	15,450
Property and equipment, net	<u>\$ 1,481,964</u>	<u>\$ 1,525,762</u>

We recorded depletion expense of \$56.4 million and \$31.2 million for the three months ended June 30, 2013 and 2012, respectively and \$113.1 million and \$61.3 million for the six months ended June 30, 2013 and 2012, respectively.

#### 4. Suspended Well Costs

The following table reflects the Company's capitalized exploratory well costs on completed wells as of and during the six months ended June 30, 2013. The table excludes \$56.5 million in costs that were capitalized and subsequently expensed during the same period.

	Six months ended June 30, 2013 (In thousands)
Beginning balance	\$ 372,492
Additions to capitalized exploratory well costs pending the determination of proved reserves	30,395
Reclassification due to determination of proved reserves	—
Capitalized exploratory well costs charged to expense	(26,997)
Ending balance	<u>\$ 375,890</u>

The following table provides aging of capitalized exploratory well costs based on the date drilling was completed and the number of projects for which exploratory well costs have been capitalized for more than one year since the completion of drilling:

	June 30, 2013	December 31, 2012
	(In thousands, except well counts)	
Exploratory well costs capitalized for a period of one year or less	\$ 41,289	\$ 106,635
Exploratory well costs capitalized for a period one to two years	214,593	179,933
Exploratory well costs capitalized for a period three to four years	120,008	85,924
Ending balance	<u>\$ 375,890</u>	<u>\$ 372,492</u>
Number of projects that have exploratory well costs that have been capitalized for a period greater than one year	<u>7</u>	<u>7</u>

As of June 30, 2013, the projects with exploratory well costs capitalized for more than one year since the completion of drilling are related to Mahogany, Teak-1, Teak-2 and Akasa discoveries in the West Cape Three Points ("WCTP") Block and the Tweneboa, Enyenra and Ntomme discoveries in the Deepwater Tano ("DT") Block, which are all in Ghana.

Mahogany—Mahogany, a combined area covering parts of the Mahogany East discovery and the Mahogany Deep discovery, was declared commercial in September 2010, and a PoD was submitted to Ghana's Ministry of Energy as of May 2, 2011. In a letter dated May 16, 2011, the Ministry of Energy did not approve the PoD and requested that the WCTP Block partners take certain steps regarding notifications of discovery and commerciality; and requested other information. The WCTP Block partners believe the combined submission was proper and have held meetings with Ghana National Petroleum Corporation ("GNPC") which resolved issues relating to the PoD work program. From May 2011, the Ministry of Energy, GNPC and the WCTP Block partners continued working to resolve other differences; however, the WCTP Petroleum Agreement ("PA") contains specific timelines for PoD approval and discussions, which expired at the end of June 2011. On June 30, 2011, we, as Operator of the WCTP Block and on behalf of the WCTP Block partners, delivered a Notice of Dispute to the Ministry of Energy and GNPC as provided under the WCTP PA, which is the initial step in triggering the formal dispute resolution process under the WCTP PA with the government of Ghana regarding approval of the Mahogany PoD. This Notice of Dispute establishes a process for negotiation and consultation for a period of 30 days (or longer if mutually agreed) among senior representatives from the Ministry of Energy, GNPC and the WCTP Block partners to resolve the matter. We and the WCTP Block partners are in discussions with the Ministry of Energy and GNPC to resolve differences on the PoD.

Teak-1 Discovery—Two appraisal wells have been drilled. Following additional appraisal and evaluation, a decision regarding commerciality of the Teak-1 discovery is expected to be made by the WCTP Block partners in 2014. Within six months of such a declaration, a PoD would be prepared and submitted to Ghana's Ministry of Energy, as required under the WCTP PA.

Teak-2 Discovery—We have performed a gauge installation on the well and are reprocessing seismic data. Following additional appraisal and evaluation, a decision regarding commerciality of the Teak-2 discovery is expected to be made by the WCTP Block partners in 2014. Within six months of such a declaration, a PoD would be prepared and submitted to Ghana's Ministry of Energy, as required under the WCTP PA.



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**Akasa Discovery**—We have performed a drill stem test and gauge installation on the well and are analyzing the data. Following additional appraisal and evaluation, a decision regarding commerciality of the Akasa discovery is expected to be made by the WCTP Block partners in 2013. Within six months of such a declaration, a PoD would be prepared and submitted to Ghana’s Ministry of Energy, as required under the WCTP PA.

**Tweneboa, Enyenra and Ntomme (“TEN”) Discoveries**—In May 2013, the government of Ghana approved the PoD over the TEN discoveries. Development of TEN will include the drilling and completion of up to 24 development wells, half of the wells designed as producers and the remainder for water and gas injection to support ultimate field recoveries. The TEN project is expected to deliver first oil in 2016. The costs associated with the TEN development will remain as unproved property pending the determination of whether the discoveries are associated with proved reserves.

## 5. Accounts Payable and Accrued Liabilities

At June 30, 2013 and December 31, 2012, accounts payable of \$64.0 million and \$128.9 million, respectively, were recorded for invoices received but not paid. Accrued liabilities consisted of the following:

	<b>June 30, 2013</b>	<b>December 31, 2012</b>
	<b>(In thousands)</b>	
<b>Accrued liabilities:</b>		
Accrued exploration, development and production	\$ 25,978	\$ 20,616
Accrued general and administrative expenses	11,173	5,089
Accrued taxes other than income	13,635	11,124
Accrued interest	248	—
Income taxes	20,778	4,192
	<b>\$ 71,812</b>	<b>\$ 41,021</b>

## 6. Debt

### *Facility*

In March 2011, the Company secured a \$2.0 billion commercial debt facility (the “Facility”) from a number of financial institutions and extinguished the then existing commercial debt facilities. The Facility was syndicated to certain participants of the existing facilities, as well as new participants. The Facility supports our oil and gas exploration, appraisal and development programs and corporate activities. As part of the November 2012 amendment, the total commitments for the Facility were reduced to \$1.5 billion.

The Facility provides a revolving-credit and letter of credit facility. The availability period for the revolving-credit facility, as amended in April 2013, expires on December 15, 2014 and the letter of credit sublimit expires on the final maturity date. The available facility amount is subject to borrowing base constraints and, beginning on December 15, 2014, outstanding borrowings will also be constrained by an amortization schedule. The final maturity date is March 29, 2018. As of June 30, 2013, borrowings under the Facility totaled \$900.0 million and the undrawn availability under the Facility was \$399.1 million.

### *Corporate Revolver*

In November 2012, we secured a revolving credit facility (the “Corporate Revolver”). In April 2013, the availability under the Corporate Revolver was increased from \$260.0 million to \$300.0 million due to additional commitments received from existing and new financial institutions. As of June 30, 2013 and December 31, 2012, there were no borrowings outstanding under the Corporate Revolver and the undrawn availability under the Corporate Revolver was \$300.0 million and \$260.0 million, respectively.

### *Revolving Letter of Credit Facility*

In July 2013, we entered into a revolving letter of credit facility agreement (“LC Facility”). The size of the LC Facility is \$100.0 million, with additional commitments up to \$50.0 million being available if existing lenders increase their commitments or if commitments from new financial institutions are added. The LC Facility provides that we maintain cash collateral in an amount equal to at least 75% of all outstanding letters of credit under the LC Facility, provided that during the period of any breach of certain financial covenants, the required cash collateral amount shall increase to 100%. The fees associated with outstanding letters of credit issued will be 0.5% per annum. The LC Facility has an availability period which expires on June 1, 2016. We may voluntarily cancel any commitments available under the LC Facility at any time. As of July 29, 2013, there were three outstanding letters of credit totaling \$27.0 million under the LC Facility.

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At June 30, 2013, the estimated repayments of debt during the five year period and thereafter are as follows:

	Payments Due by Year					
	2013(1)	2014	2015	2016	2017	Thereafter
	(In thousands)					
Facility(2)	\$ —	\$ 34,759	\$ 325,235	\$ 35,272	\$ 393,623	\$ 111,111

- (1) Represents payments for the period July 1, 2013 through December 31, 2013.
- (2) The scheduled maturities of debt are based on the level of borrowings and the available borrowing base as of June 30, 2013. Any increases or decreases in the level of borrowings or decreases in the available borrowing base would impact the scheduled maturities of debt during the next five years and thereafter.

## 7. Derivative Financial Instruments

We use financial derivative contracts to manage exposures to commodity price and interest rate fluctuations. We do not hold or issue derivative financial instruments for trading purposes. We manage market and counterparty credit risk in accordance with our policies and guidelines. In accordance with these policies and guidelines, our management determines the appropriate timing and extent of derivative transactions.

### Oil Derivative Contracts

The following table sets forth the volumes in barrels underlying the Company's outstanding oil derivative contracts and the weighted average Dated Brent prices per Bbl for those contracts as of June 30, 2013.

Term	Type of Contract	MBbl	Weighted Average Dated Brent Price per Bbl			
			Deferred Premium	Floor	Ceiling	Call
2013:						
July - December	Three-way collars	750	\$ 4.82	\$ 95.00	\$ 105.00	\$ 125.00
July - December	Three-way collars	506	—	87.50	115.00	135.00
July - December	Three-way collars	500	—	90.00	115.39	135.00
July - December	Three-way collars	500	—	90.08	115.00	135.00
2014:						
January - December	Three-way collars	1,500	1.22	85.00	115.00	140.00
January - December	Three-way collars	1,000	—	85.00	115.01	140.00

### Interest Rate Swaps Derivative Contracts

The following table summarizes our open interest rate swaps as of June 30, 2013, whereby we pay a fixed rate of interest and the counterparty pays a variable LIBOR-based rate:

Term	Weighted Average Notional Amount (In thousands)	Weighted Average Fixed Rate	Floating Rate
July 2013 — December 2013	\$ 200,617	1.99%	6-month LIBOR
January 2014 — December 2014	133,434	1.99%	6-month LIBOR
January 2015 — December 2015	45,319	2.03%	6-month LIBOR
January 2016 — June 2016	12,500	2.27%	6-month LIBOR

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The following tables disclose the Company's derivative instruments as of June 30, 2013 and December 31, 2012 and gain/(loss) from derivatives during the three and six months ended June 30, 2013 and 2012, respectively:

Type of Contract	Balance Sheet Location	Estimated Fair Value Asset (Liability)	
		June 30, 2013	December 31, 2012
(In thousands)			
Derivatives not designated as hedging instruments:			
Derivative assets:			
Commodity(1)	Derivatives assets—current	\$ 1,254	\$ 1,061
Commodity (2)	Derivatives assets—long-term	2,135	—
Derivative liabilities:			
Commodity(3)	Derivatives liabilities—current	(4,330)	(17,005)
Interest rate	Derivatives liabilities—current	(2,670)	(3,372)
Commodity(4)	Derivatives liabilities—long-term	—	(659)
Interest rate	Derivatives liabilities—long-term	(1,202)	(2,567)
Total derivatives not designated as hedging instruments		\$ (4,813)	\$ (22,542)

- (1) The commodity derivative asset represents \$1.3 million of our oil derivative contracts as of June 30, 2013 and \$1.1 million of our provisional oil sales contract as of December 31, 2012.
- (2) Includes deferred premiums of \$1.1 million related to commodity derivative contracts as of June 30, 2013.
- (3) Includes \$0.6 million and \$3.4 million, as of June 30, 2013 and December 31, 2012, respectively of cash settlements made on our commodity derivative contracts which were settled in the month subsequent to period end. Also, includes deferred premiums of \$5.0 million and \$7.6 million related to commodity derivative contracts as of June 30, 2013 and December 31, 2012, respectively.
- (4) Includes deferred premiums of \$2.4 million related to commodity derivative contracts as of December 31, 2012.

Type of Contract	Location of Gain/(Loss)	Amount of Gain/(Loss) Three Months Ended June 30,		Amount of Gain/(Loss) Six Months Ended June 30,	
		2013	2012	2013	2012
		(In thousands)			
Derivatives in cash flow hedging relationships:					
Interest rate(1)	Interest expense	\$ 358	\$ (214)	\$ 717	\$ (428)
Total derivatives in cash flow hedging relationships		\$ 358	\$ (214)	\$ 717	\$ (428)
Derivatives not designated as hedging instruments:					
Commodity(2)	Oil and gas revenue	\$ (9,252)	\$ 987	\$ (4,664)	\$ 3,727
Commodity	Derivatives, net	12,707	1,982	7,199	(1,878)
Interest rate	Interest expense	23	(725)	50	(1,435)
Total derivatives not designated as hedging instruments		\$ 3,478	\$ 2,244	\$ 2,585	\$ 414

- (1) Amounts were reclassified from AOCI into earnings upon settlement.
- (2) Amounts represent the mark-to-market portion of our provisional oil sales contracts.

In accordance with the mark-to-market method of accounting, the Company recognizes changes in fair values of its derivative contracts as gains or losses in earnings during the period in which they occur. The fair value of the effective portion of the interest rate derivative contracts on May 31, 2010, is reflected in AOCI and is being transferred to interest expense over the remaining term of the contracts. The Company expects to reclassify \$1.6 million of gains from AOCI to interest expense within the next 12 months. See Note 8—Fair Value Measurements for additional information regarding the Company's derivative instruments.

## Offsetting of Derivative Assets and Derivative Liabilities

Our derivative instruments subject to master netting arrangements with our counterparties only have the right of offset when there is an event of default. As of June 30, 2013 and December 31, 2012, there was not an event of default and, therefore, the associated gross asset or gross liability amounts related to these arrangements are presented on the consolidated balance sheets. Additionally, there were no material rights of offset available, if an event of default occurred, as of June 30, 2013 and December 31, 2012.

## 8. Fair Value Measurements

In accordance with ASC 820—Fair Value Measurements and Disclosures, fair value measurements are based upon inputs that market participants use in pricing an asset or liability, which are classified into two categories: observable inputs and unobservable inputs. Observable inputs represent market data obtained from independent sources, whereas unobservable inputs reflect a company's own market assumptions, which are used if observable inputs are not reasonably available without undue cost and effort. We prioritize the inputs used in measuring fair value into the following fair value hierarchy:

- Level 1—quoted prices for identical assets or liabilities in active markets.
- Level 2—quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs derived principally from or corroborated by observable market data by correlation or other means.
- Level 3—unobservable inputs for the asset or liability. The fair value input hierarchy level to which an asset or liability measurement in its entirety falls is determined based on the lowest level input that is significant to the measurement in its entirety.

The following tables present the Company's assets and liabilities that are measured at fair value on a recurring basis as of June 30, 2013 and December 31, 2012, for each fair value hierarchy level:

	Fair Value Measurements Using:			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
(In thousands)				
<b>June 30, 2013</b>				
Assets:				
Commodity derivatives	\$ —	\$ 3,389	\$ —	\$ 3,389
Liabilities:				
Commodity derivatives	—	(4,330)	—	(4,330)
Interest rate derivatives	—	(3,872)	—	(3,872)
<b>Total</b>	<b>\$ —</b>	<b>\$ (4,813)</b>	<b>\$ —</b>	<b>\$ (4,813)</b>
<b>December 31, 2012</b>				
Assets:				
Commodity derivatives	\$ —	\$ 1,061	\$ —	\$ 1,061
Liabilities:				
Commodity derivatives	—	(17,664)	—	(17,664)
Interest rate derivatives	—	(5,939)	—	(5,939)
<b>Total</b>	<b>\$ —</b>	<b>\$ (22,542)</b>	<b>\$ —</b>	<b>\$ (22,542)</b>

The book values of cash and cash equivalents and restricted cash approximate fair value based on Level 1 inputs. Joint interest billings, oil sales and other receivables, and accounts payable and accrued liabilities approximate fair value due to the short-term nature of these instruments. The carrying values of our debt approximate fair value since they are subject to short-term floating interest rates that approximate the rates available to us for those periods. Our long-term receivables, if any, after any allowances for doubtful accounts approximate fair value. The estimates of fair value of these items are based on Level 2 inputs.

## **Commodity Derivatives**

Our commodity derivatives represent crude oil three-way collars for notional barrels of oil at fixed Dated Brent oil prices. The values attributable to the our oil derivatives are based on (i) the contracted notional volumes, (ii) independent active futures price quotes for Dated Brent, (iii) a credit-adjusted yield curve applicable to each counterparty by reference to the CDS market and (iv) an independently sourced estimate of volatility for Dated Brent. The volatility estimate was provided by certain independent brokers who are active in buying and selling oil options and was corroborated by market-quoted volatility factors. The deferred premium is included in the fair market value of the puts and compound options. See Note 7—Derivative Financial Instruments for additional information regarding the Company’s derivative instruments.

## **Provisional Oil Sales**

The value attributable to the provisional oil sales derivative is based on (i) the sales volumes subject to provisional pricing and (ii) an independently sourced forward curve over the term of the provisional pricing period.

## **Interest Rate Derivatives**

We have interest rate swaps, whereby the Company pays a fixed rate of interest and the counterparty pays a variable LIBOR-based rate. The values attributable to the Company’s interest rate derivative contracts are based on (i) the contracted notional amounts, (ii) LIBOR yield curves provided by independent third parties and corroborated with forward active market-quoted LIBOR yield curves and (iii) a credit-adjusted yield curve as applicable to each counterparty by reference to the CDS market.

## **9. Equity-based Compensation**

### *Restricted Stock Awards and Restricted Stock Units*

We record compensation expense equal to the fair value of share-based payments over the vesting periods of the Long-Term Incentive Plan (“LTIP”) awards. We recorded compensation expense from awards granted under our LTIP of \$18.1 million and \$17.6 million during the three months ended June 30, 2013 and 2012, respectively, and \$37.0 million and \$38.9 million during the six months ended June 30, 2013 and 2012, respectively. The tax benefit resulting from equity-based compensation expense for the three months ended June 30, 2013 and 2012 was \$6.3 million and \$6.1 million, respectively, and for the six months ended June 30, 2013 and 2012 was \$12.7 million and \$13.5 million, respectively. Additionally, we expensed a tax shortfall (the difference between the estimated tax deduction on the grant date and the actual tax deduction on the vest date) of \$6.9 million and \$7.4 million for the three months ended June 30, 2013 and 2012, respectively, and \$6.9 million and \$7.4 million during the six months ended June 30, 2013 and 2012, respectively.

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The following table reflects the outstanding restricted stock awards as of June 30, 2013:

	Service Vesting Restricted Stock Awards (In thousands)	Weighted- Average Grant-Date Fair Value	Market / Service Vesting Restricted Stock Awards (In thousands)	Weighted- Average Grant-Date Fair Value
Outstanding at December 31, 2012	9,898	\$ 16.92	3,534	\$ 12.93
Granted	351	10.73	—	—
Forfeited	(187)	15.14	(16)	8.21
Vested	(3,336)	17.27	—	—
Outstanding at June 30, 2013	<u>6,726</u>	<u>16.48</u>	<u>3,518</u>	<u>12.95</u>

The following table reflects the outstanding restricted stock units as of June 30, 2013:

	Service Vesting Restricted Stock Units (In thousands)	Weighted- Average Grant-Date Fair Value	Market / Service Vesting Restricted Stock Units (In thousands)	Weighted- Average Grant-Date Fair Value
Outstanding at December 31, 2012	1,023	\$ 10.59	825	\$ 15.81
Granted	1,310	10.83	990	15.44
Forfeited	(56)	10.58	(34)	15.81
Vested	(133)	10.98	—	—
Outstanding at June 30, 2013	<u>2,144</u>	<u>10.72</u>	<u>1,781</u>	<u>15.60</u>

As of June 30, 2013, total equity-based compensation to be recognized on unvested restricted stock awards and restricted stock units is \$164.9 million over a weighted average period of 2.42 years. At June 30, 2013, the Company had approximately 5.4 million shares that remain available for issuance under the LTIP.

For restricted stock awards with a combination of market and service vesting criteria, the number of common shares to be issued is determined by comparing the Company's total shareholder return with the total shareholder return of a predetermined group of peer companies over the performance period and can vest in up to 100% of the awards granted. The grant date fair value of these awards ranged from \$6.70 to \$13.57 per award. The Monte Carlo simulation model used to estimate the grant-date fair value utilizes multiple input variables that determine the probability of satisfying the market condition stipulated in the award grant and calculates the fair value of the award. The expected volatility utilized in the model was estimated using our historical volatility and the historical volatilities of our peer companies and ranged from 41.3% to 56.7%. The risk-free interest rate was based on the U.S. treasury rate for a term commensurate with the expected life of the grant and ranged from 0.5% to 1.1%.

For restricted stock units with a combination of market and service vesting criteria, the number of common shares to be issued is determined by comparing the Company's total shareholder return with the total shareholder return of a predetermined group of peer companies over the performance period and can vest in up to 200% of the awards granted. The grant date fair value of these awards ranged from \$15.44 to \$15.81 per award. The Monte Carlo simulation model used to estimate the grant-date fair value utilizes multiple input variables that determine the probability of satisfying the market condition stipulated in the award grant and calculates the fair value of the award. The expected volatility utilized in the model was estimated using our historical volatility and the historical volatilities of our peer companies and ranged from 53.0% to 54.0%. The risk-free interest rate was based on the U.S. treasury rate for a term commensurate with the expected life of the grant and ranged from 0.5% to 0.7%.

## 10. Income Taxes

Income tax expense was \$46.3 million and \$22.5 million for the three months ended June 30, 2013 and 2012, respectively, and was \$90.3 million and \$38.8 million for the six months ended June 30, 2013 and 2012, respectively. The income tax provision consists of U.S. and Ghanaian income and Texas margin taxes.

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The components of income (loss) before income taxes were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(In thousands)			
Bermuda	\$ (6,663)	\$ (3,251)	\$ (13,440)	\$ (6,419)
United States	2,903	3,035	5,273	6,347
Foreign—other	(20,803)	(2,106)	47,789	(23,505)
Income (loss) before income taxes	\$ (24,563)	\$ (2,322)	\$ 39,622	\$ (23,577)

Our effective tax rate for the three months ended June 30, 2013 and 2012 is (188)% and (970)%, respectively. For the six months ended, June 30, 2013 and 2012, our effective tax rate is 228% and (165)%. The effective tax rate for the United States is approximately 274% and 277% for the three months ended June 30, 2013 and 2012, respectively, and 167% and 152% for the six months ended June 30, 2013 and 2012, respectively. The high effective tax rates in the United States are due to the deferred tax impact related to equity-based compensation. The effective tax rate for Ghana is approximately 34% and 38% for the three months ended June 30, 2013 and 2012, respectively, and 36% for the six months ended June 30, 2013 and 2012. Our other foreign jurisdictions have a 0% effective tax rate because they reside in countries with a 0% statutory rate, or we have experienced losses in those countries and have a full valuation allowance reserved against the corresponding net deferred tax assets.

The Company has no material unrecognized income tax benefits.

A subsidiary of the Company files a U.S. federal income tax return and a Texas margin tax return. In addition to the United States, the Company files income tax returns in the countries in which the Company operates. The Company is open to U.S. federal income tax examinations for tax years 2009 through 2012 and to Texas margin tax examinations for the tax years 2008 through 2012. In addition, the Company is open to income tax examinations for years 2004 through 2012 in Ghana.

As of June 30, 2013, the Company had no material uncertain tax positions. The Company's policy is to recognize potential interest and penalties related to income tax matters in income tax expense, but has not accrued any material amounts to date.

## 11. Net Income (Loss) Per Share

The following table is a reconciliation between net income (loss) and the amounts used to compute basic and diluted net income (loss) per share and the weighted average shares outstanding used to compute basic and diluted net income (loss) per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(In thousands, except per share data)			
<b>Numerator:</b>				
Net income (loss)	\$ (70,816)	\$ (24,843)	\$ (50,722)	\$ (62,384)
Less: Basic income allocable to participating securities(1)	—	—	—	—
Basic net income (loss) allocable to common shareholders	(70,816)	(24,843)	(50,722)	(62,384)
Diluted adjustments to income allocable to participating securities(1)	—	—	—	—
Diluted net income (loss) allocable to common shareholders	\$ (70,816)	\$ (24,843)	\$ (50,722)	\$ (62,384)
<b>Denominator:</b>				
Weighted average number of shares used to compute net income (loss) per share:				
Basic	376,563	370,720	375,927	369,973
Restricted stock awards and units(1)(2)	—	—	—	—
Diluted	376,563	370,720	375,927	369,973
<b>Net income (loss) per share:</b>				
Basic	\$ (0.19)	\$ (0.07)	\$ (0.13)	\$ (0.17)
Diluted	\$ (0.19)	\$ (0.07)	\$ (0.13)	\$ (0.17)

(1) Our service vesting restricted stock awards represent participating securities because they participate in nonforfeitable dividends with common equity owners. Income allocable to participating securities represents the distributed and undistributed earnings attributable to the participating securities. Our restricted stock awards with market and service vesting criteria and all restricted stock units are not considered to be participating securities and, therefore, are excluded from the basic net income (loss) per common share calculation. Our service vesting restricted stock awards do not participate in undistributed net losses and, therefore, are excluded from the basic net income (loss) per common share calculation in periods we are in a net loss position.

(2) We excluded outstanding restricted stock awards and units of 14.2 million and 16.9 million for the three months ended June 30, 2013 and 2012, respectively, and 14.2 million and 16.9 million for the six months ended June 30, 2013 and 2012, respectively, from the computations of diluted net income per share because the effect would have been anti-dilutive.





## 12. Commitments and Contingencies

We are involved in litigation, regulatory examinations and administrative proceedings primarily arising in the ordinary course of our business in jurisdictions in which we do business. Although the outcome of these matters cannot be predicted with certainty, management believes none of these matters, either individually or in the aggregate, would have a material effect upon the Company's consolidated financial statements; however, an unfavorable outcome could have a material adverse effect on our results from operations for a specific interim period or year.

In June 2013, we signed a long-term rig agreement with a subsidiary of Atwood Oceanics, Inc. for the new build drillship "Atwood Achiever." Currently under construction, the rig is scheduled for completion in June 2014 and expected to commence drilling operations in the second half of 2014. The rig agreement covers an initial period of three years at a day rate of approximately \$0.6 million, with an option to extend the agreement for an additional three-year term.

The estimated future minimum commitments under this contract as of June 30, 2013, are:

	Payments Due By Year(1)						
	Total	2013(2)	2014	2015	2016	2017	Thereafter
				(In thousands)			
Drilling rig contract (3)	651,525	—	90,440	217,175	217,770	126,140	—

- (1) Does not include purchase commitments for jointly owned fields and facilities where we are not the operator, excludes commitments for development activities under our petroleum contracts where we are not the operator and excludes commitments for exploration activities, including well commitments, in our petroleum contracts and farm-in agreements.
- (2) Represents payments for the period from July 1, 2013 through December 31, 2013.
- (3) Commitments calculated using a day rate of \$595,000 and an estimated rig delivery date of August 1, 2014.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion and analysis should be read in conjunction with our consolidated financial statements and notes thereto contained herein and our annual financial statements for the year ended December 31, 2012, included in our annual report on Form 10-K along with the section Management's Discussion and Analysis of financial condition and Results of Operations contained in such annual report. Any terms used but not defined in the following discussion have the same meaning given to them in the annual report. Our discussion and analysis includes forward-looking information that involves risks and uncertainties and should be read in conjunction with "Risk Factors" under Item 1A of this report and in the annual report, along with "Forward-Looking Information" at the end of this section for information about the risks and uncertainties that could cause our actual results to be materially different than our forward-looking statements.*

### Overview

We are a leading independent oil and gas exploration and production company focused on frontier and emerging areas along the Atlantic Margin. Our asset portfolio includes existing production and other major project developments offshore Ghana, as well as exploration licenses with significant hydrocarbon potential offshore Ireland, Mauritania, Morocco and Suriname.

We were incorporated pursuant to the laws of Bermuda as Kosmos Energy Ltd. in January 2011 to become a holding company for Kosmos Energy Holdings. Pursuant to the terms of a corporate reorganization that was completed immediately prior to the closing of Kosmos Energy Ltd.'s IPO on May 16, 2011, all of the interests in Kosmos Energy Holdings were exchanged for newly issued common shares of Kosmos Energy Ltd. As a result, Kosmos Energy Holdings became wholly owned by Kosmos Energy Ltd.

### Recent Developments

#### *Debt*

Our \$2.0 billion commercial debt facility ("Facility") provides a revolving-credit and letter of credit facility. The availability period for the revolving-credit facility, as amended in April 2013, expires on December 15, 2014 and the letter of credit sublimit expires on the final maturity date. The available facility amount is subject to borrowing base constraints and, beginning on December 15, 2014, outstanding borrowings will also be constrained by an amortization schedule. The final maturity date is March 29, 2018.

In April 2013, the availability under our revolving credit facility ("Corporate Revolver") was increased from \$260.0 million to \$300.0 million by additional commitments from existing and new financial institutions.

In July 2013, we entered into a revolving letter of credit facility agreement ("LC Facility"). The size of the LC Facility is \$100.0 million, with additional commitments up to \$50.0 million being available if existing lenders increase their commitments or if commitments from new financial institutions are added. The LC Facility provides that we shall maintain cash collateral in an amount equal to at least 75% of all outstanding letters of credit under the LC Facility, provided that during the period of any breach of certain financial covenants, the required cash collateral amount shall increase to 100%. The fees associated with outstanding letters of credit issued will be 0.5% per annum. The LC Facility has an availability period which expires on June 1, 2016. We may voluntarily cancel any commitments available under the LC Facility at any time. As of July 29, 2013, there were three outstanding letters of credit totaling \$27.0 million under the LC Facility.

#### *Rig Agreement*

In June 2013, we signed a long-term rig agreement with a subsidiary of Atwood Oceanics, Inc. for the new build drillship "Atwood Achiever." Currently under construction, the rig is scheduled for completion in June 2014 and expected to commence drilling operations in the second half of 2014. The rig's capabilities include drilling to total depths of up to 40,000 feet, and in water depths of up to 12,000 feet. The rig agreement covers an initial period of three years at a day rate of approximately \$0.6 million, with an option to extend the agreement for an additional three-year term.

#### *Ghana*

During the second quarter of 2013, we had two liftings of oil totaling 1,944 MBbl from the Jubilee Field production resulting in revenues of \$193.4 million. Our average realized price was \$99.51 per barrel.

We previously received an approval for the Phase 1A PoD of the Jubilee Field, and production from Phase 1A commenced in late 2012. The Phase 1A program includes the drilling of up to eight additional wells consisting of up to five production wells and three water injection wells. Three wells, two producers and one injector, are online. Program execution is expected to continue into the first half of 2014.

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In May 2013, the government of Ghana approved the PoD over the Tweneboa, Enyenra and Ntomme (“TEN”) discoveries. Development of TEN will include the drilling and completion of up to 24 development wells, half of the wells designed as producers and the remainder for water and gas injection to support ultimate field recoveries. The TEN development is expected to deliver first oil in 2016. Future development of gas resources at TEN is anticipated following the commencement of oil startup. Our net portion of the estimated cost for the TEN development is approximately \$931.0 million.

### *Cameroon*

Drilling of the Sipo-1 exploration well on the Ndian River Block was completed in May 2013. Oil and gas shows evidenced during drilling indicated a working petroleum system; however, the well failed to encounter commercial reservoirs and accordingly was plugged and abandoned. Total well and other related costs of \$75.6 million are included in exploration expenses in the accompanying consolidated statement of operations for the three and six months ended June 30, 2013.

In July 2013, we informed the government of Cameroon that we do not intend to enter into the next phase of our petroleum contracts in Cameroon.

### *Ireland*

In April 2013, the Company entered into a farm-in agreement with Antrim Energy Inc., whereby Kosmos acquired a 75% participating interest and operatorship, covering Licensing Option 11/5 offshore the west coast of Ireland. As part of the agreement, Kosmos will reimburse a portion of previously-incurred exploration costs, as well as carry the partner on future 3D seismic costs. In July 2013, Ireland granted a Frontier Exploration License 1-13, pursuant to Licensing Option 11/5.

In April 2013, the Company entered into a farm-in agreement with Europa Oil & Gas (Holdings) plc, whereby Kosmos acquired an 85% participating interest and operatorship, covering Licensing Option 11/7 and 11/8 offshore the west coast of Ireland. As part of the agreement, Kosmos will reimburse a portion of previously-incurred exploration costs, as well as carry the partner on future 3D seismic costs. Contingent upon an election by Kosmos and our partner to enter into a subsequent exploration drilling phase on one or both of the blocks, Kosmos will also fund 100% of the costs of the first exploration well on each block, subject to an investment cap of \$90.0 million and \$110.0 million, respectively, on each block. In July 2013, Ireland granted Frontier Exploration Licenses 2-13 and 3-13, pursuant to Licensing Options 11/7 and 11/8. In July 2013, we commenced a 3D seismic program over these blocks which is expected to be completed during 2013.

### *Mauritania*

In May 2013, we completed a 2D seismic data acquisition program on approximately 6,000 line-kilometers, covering Blocks C8, C12 and C13 offshore Mauritania. In June 2013, we commenced a 3D seismic program over portions of Blocks C8 and C12 which is expected to be completed during 2013.

### *Morocco*

In January 2013, Kosmos closed an agreement to acquire an additional 37.5% participating interest in the Essaouira Offshore Block from Canamens Energy Morocco SARL, one of our block partners. Certain governmental approvals and processes are still required to be completed before this acquisition is effective. After completing the acquisition, our participating interest in the Essaouira Offshore Block will be 75%.

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**Results of Operations**

All of our results, as presented in the table below, represent operations from the Jubilee Field in Ghana. Certain operating results and statistics for the three and six months ended June 30, 2013 and 2012, are included in the following table:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
(In thousands, except per barrel data)				
Sales volumes:				
MBbl	1,944	997	3,935	1,928
Revenues:				
Oil sales	\$ 193,413	\$ 112,214	\$ 421,479	\$ 227,985
Average sales price per Bbl	99.51	112.60	107.11	118.25
Costs:				
Oil production, excluding workovers	\$ 12,700	\$ 9,333	\$ 26,119	\$ 16,659
Oil production, workovers	9,974	10,259	20,956	10,259
Total oil production costs	22,674	19,592	47,075	26,918
Depletion	56,448	31,288	113,069	61,343
Average cost per Bbl:				
Oil production, excluding workovers	6.54	9.37	6.63	8.64
Oil production, workovers	5.13	10.29	5.33	5.32
Total oil production costs	11.67	19.66	11.96	13.96
Depletion	29.04	31.39	28.73	31.82
Oil production cost and depletion costs	\$ 40.71	\$ 51.05	\$ 40.69	\$ 45.78

The following table shows the number of wells in the process of being drilled or are in active completion stages, and the number of wells suspended or waiting on completion as of June 30, 2013:

	Actively Drilling or Completing				Wells Suspended or Waiting on Completion			
	Exploration		Development		Exploration		Development	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Ghana								
West Cape Three Points	—	—	—	—	8	2.47	—	—
Deepwater Tano	—	—	1	0.18	12	2.16	—	—
Jubilee Unit	—	—	—	—	—	—	3	0.72
Total	—	—	1	0.18	20	4.63	3	0.72

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The discussion of the results of operations and the period-to-period comparisons presented below analyze our historical results. The following discussion may not be indicative of future results.

**Three months ended June 30, 2013 compared to three months ended June 30, 2012**

	Three Months Ended June 30,		Increase (Decrease)
	2013	2012	
(In thousands)			
Revenues and other income:			
Oil and gas revenue	\$ 193,413	\$ 112,214	\$ 81,199
Interest income	44	282	(238)
Other income	321	175	146
Total revenues and other income	193,778	112,671	81,107
Costs and expenses:			
Oil and gas production	22,674	19,592	3,082
Exploration expenses	93,050	16,901	76,149
General and administrative	43,111	34,799	8,312
Depletion and depreciation	58,562	32,999	25,563
Amortization—deferred financing costs	2,785	2,194	591
Interest expense	10,017	10,446	(429)
Derivatives, net	(12,707)	(1,982)	(10,725)
Other expenses, net	849	44	805
Total costs and expenses	218,341	114,993	103,348
Loss before income taxes	(24,563)	(2,322)	(22,241)
Income tax expense	46,253	22,521	23,732
Net loss	\$ (70,816)	\$ (24,843)	\$ (45,973)

*Oil and gas revenue.* Oil and gas revenue increased by \$81.2 million during the three months ended June 30, 2013 as compared to the three months ended June 30, 2012. The increase is primarily due to having two liftings of oil during the three months ended June 30, 2013 as compared to having one lifting of oil during the three months ended June 30, 2012. This increase is partially offset by a lower realized price per barrel during the three months ended June 30, 2013.

*Oil and gas production.* Oil and gas production costs increased by \$3.1 million during the three months ended June 30, 2013 as compared to the three months ended June 30, 2012. The increase is primarily due to two liftings in the three months ended June 30, 2013 as compared to one lifting in the three months ended June 30, 2012 offset by a reduction in well workover costs on a per barrel basis.

*Exploration expenses.* Exploration expenses increased by \$76.1 million during the three months ended June 30, 2013, as compared to the three months ended June 30, 2012. During the three months ended June 30, 2013, we incurred \$75.6 million for unsuccessful well and other related costs for the Cameroon Sipo-1 exploration well and \$17.1 million for seismic costs for Morocco, Mauritania and new ventures. During the three months ended June 30, 2012, we incurred \$10.1 million of unsuccessful well costs related to the Ghana Teak-4A appraisal well.

*General and administrative.* General and administrative costs increased by \$8.3 million during the three months ended June 30, 2013, as compared to the three months ended June 30, 2012 primarily due to an increase in headcount. Total non-cash general and administrative costs were \$18.1 million and \$17.6 million for the three months ended June 30, 2013 and 2012, respectively, which was primarily related to equity-based compensation.

*Depletion and depreciation.* Depletion and depreciation increased \$25.6 million during the three months ended June 30, 2013, as compared with the three months ended June 30, 2012. The increase is primarily due to the sale of two liftings of oil during the three months ended June 30, 2013 as compared to one lifting of oil during the three months ended June 30, 2012.

*Derivatives, net.* During the three months ended June 30, 2013 and 2012, we recorded gains of \$12.7 million and \$2.0 million, respectively, on our outstanding hedge positions. The gains recorded were a result of \$11.3 million of unrealized gains on the change in fair value of our outstanding contracts and \$1.4 million of realized gains on contracts that settled during the quarter.

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*Income tax expense.* The Company's effective tax rates for the three months ended June 30, 2013 and 2012 were (188)% and (970%), respectively. The large effective tax rates for the periods presented are due to losses incurred in jurisdictions in which we are not subject to taxes and, therefore, do not generate any income tax benefits and losses incurred in jurisdictions in which we have valuation allowances against our deferred tax assets and therefore we do not realize any tax benefit on such losses. Income tax expense increased \$23.7 million during the three months ended June 30, 2013, as compared with June 30, 2012, primarily due to an increase in pre-tax income from our Ghanaian subsidiary.

***Six months ended June 30, 2013 compared to six months ended June 30, 2012***

	Six months Ended June 30,		Increase (Decrease)
	2013	2012	
(In thousands)			
<b>Revenues and other income:</b>			
Oil and gas revenue	\$ 421,479	\$ 227,985	\$ 193,494
Interest income	114	1,028	(914)
Other income	575	205	370
Total revenues and other income	<u>422,168</u>	<u>229,218</u>	<u>192,950</u>
<b>Costs and expenses:</b>			
Oil and gas production	47,075	26,918	20,157
Exploration expenses	116,346	56,545	59,801
General and administrative	83,141	74,122	9,019
Depletion and depreciation	117,211	64,648	52,563
Amortization—deferred financing costs	5,483	4,388	1,095
Interest expense	19,008	23,504	(4,496)
Derivatives, net	(7,199)	1,878	(9,077)
Other expenses, net	1,481	792	689
Total costs and expenses	<u>382,546</u>	<u>252,795</u>	<u>129,751</u>
Income (loss) before income taxes	39,622	(23,577)	63,199
Income tax expense	90,344	38,807	51,537
Net loss	<u>\$ (50,722)</u>	<u>\$ (62,384)</u>	<u>\$ 11,662</u>

*Oil and gas revenue.* Oil and gas revenue increased \$193.4 million during the six months ended June 30, 2013, as compared with the six months ended June 30, 2012. The increase is primarily due to having four liftings of oil during the six months ended June 30, 2013 as compared to having two liftings of oil during the six months ended June 30, 2012. This increase is partially offset by a lower realized price per barrel during the six months ended June 30, 2013.

*Oil and gas production.* Oil and gas production costs increased \$20.2 million during the six months ended June 30, 2013, as compared with the six months ended June 30, 2012. The increase is primarily due to an increase in routine operating expenses related to the increase in production volumes and liftings during the six months ended June 30, 2013 as compared to the six months ended June 30, 2012. In addition, higher workover and rig equipment costs were incurred during 2013 as compared to 2012.

*Exploration expenses.* Exploration expenses increased \$59.8 million during the six months ended June 30, 2013, as compared with the six months ended June 30, 2012. During the six months ended June 30, 2013, the Company incurred \$83.9 million of unsuccessful well and other related costs primarily related to the Cameroon Sipo-1 exploration well and the Ghana Sapele-1 exploration well and \$32.4 million for seismic costs primarily for Mauritania, Morocco and new ventures. During the six months ended June 30, 2012, we incurred \$33.4 million for seismic costs for Morocco, Ghana and Cameroon and \$19.2 million of unsuccessful well costs, primarily related to the Ghana Teak-4A appraisal well.

*General and administrative.* General and administrative costs increased \$9.0 million during the six months ended June 30, 2013, as compared with the six months ended June 30, 2012, due to an increase in headcount. Total non-cash general and administrative costs were \$37.0 million and \$38.9 million for the six months ended June 30, 2013 and 2012, respectively, which was primarily related to equity-based compensation.

*Depletion and depreciation.* Depletion and depreciation increased \$52.6 million during the six months ended June 30, 2013, as compared with the six months ended June 30, 2012. The increase is primarily due to depletion recognized related to the sale of four liftings of oil during the six months ended June 30, 2013 as compared to two liftings of oil during the six months ended June 30, 2012.

*Interest expense.* Interest expense decreased \$4.5 million during the six months ended June 30, 2013, as compared with the six months ended June 30, 2012, primarily due to a decrease in the outstanding debt balance and a decrease in the mark to market loss on our interest rate swaps.

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*Derivatives, net.* During the six months ended June 30, 2013 and 2012, we recorded a gain of \$7.2 million and a loss of \$1.9 million, respectively, on our outstanding hedge positions. The gains recorded were a result of \$5.2 million of unrealized gains on the change in fair value of our outstanding contracts and \$2.0 million of realized gains on contracts that settled during the six months ended June 30, 2013.

*Income tax expense.* The Company's effective tax rates for the six months ended June 30, 2013 and 2012 were 228% and (165%), respectively. The large effective tax rates for the periods presented are due to losses incurred in jurisdictions in which we are not subject to taxes and, therefore, do not generate any income tax benefits as well as losses incurred in jurisdictions in which we have valuation allowances against our deferred tax assets and therefore we do not realize any tax benefit on such losses. Income tax expense increased \$51.5 million during the six months ended June 30, 2013, as compared with June 30, 2012, primarily due to an increase in pre-tax income from our Ghanaian subsidiary.

## **Liquidity and Capital Resources**

We are actively engaged in an ongoing process of anticipating and meeting our funding requirements related to exploring for and developing oil and natural gas resources along the Atlantic Margin. We have historically secured funding from issuances of equity and commercial debt facilities to meet our ongoing liquidity requirements. We received our first oil sales in January 2011 from Jubilee Field production, which generated cash flows from operations from 2011 to present. Accordingly, the cash flows generated from our operating activities may also provide an additional source of funding.

### *Significant Sources of Capital*

#### *Facility*

In March 2011, the Company secured a \$2.0 billion commercial debt facility (the "Facility") from a number of financial institutions and extinguished the then existing commercial debt facilities. The Facility was syndicated to certain participants of the existing facilities, as well as new participants. The Facility supports our oil and gas exploration, appraisal and development programs and corporate activities. As part of the November 2012 amendment, the total commitments for the Facility were reduced to \$1.5 billion.

The Facility provides a revolving-credit and letter of credit facility. The availability period for the revolving-credit facility, as amended in April 2013, expires on December 15, 2014 and the letter of credit sublimit expires on the final maturity date. The available facility amount is subject to borrowing base constraints and, beginning on December 15, 2014, outstanding borrowings will also be constrained by an amortization schedule. The final maturity date is March 29, 2018. As of June 30, 2013, borrowings under the Facility totaled \$900.0 million and the undrawn availability under the Facility was \$399.1 million.

#### *Corporate Revolver*

In November 2012, we secured the Corporate Revolver from a number of financial institutions. In April 2013, the availability under the Corporate Revolver was increased from \$260.0 million to \$300.0 million by additional commitments from existing and new financial institutions. As of June 30, 2013 and December 31, 2012, there were no borrowings outstanding under the Corporate Revolver and the undrawn availability under the Corporate Revolver was \$300.0 million and \$260.0 million, respectively.

#### *Revolving Letter of Credit Facility*

In July 2013, we entered into a revolving letter of credit facility agreement ("LC Facility"). The size of the LC Facility is \$100.0 million, with additional commitments up to \$50.0 million being available if existing lenders increase their commitments or if commitments from new financial institutions are added. The LC Facility provides that we shall maintain cash collateral in an amount equal to at least 75% of all outstanding letters of credit under the LC Facility, provided that during the period of any breach of certain financial covenants, the required cash collateral amount shall increase to 100%. The fees associated with outstanding letters of credit issued will be 0.5% per annum. The LC Facility has an availability period which expires on June 1, 2016. We may voluntarily cancel any commitments available under the LC Facility at any time. As of July 29, 2013, there were three outstanding letters of credit totaling \$27.0 million under the LC Facility.

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*Capital Expenditures and Investments*

We expect to incur substantial costs as we continue to develop our oil and natural gas prospects and as we:

- complete our 2013 exploration and appraisal drilling program in our license areas;
- develop our discoveries that we determine to be commercially viable;
- purchase and analyze seismic and other geological and geophysical data to identify future prospects; and
- invest in additional oil and natural gas leases and licenses.

We have relied on a number of assumptions in budgeting for our future activities. These include the number of wells we plan to drill, our participating interests in our prospects, the costs involved in developing or participating in the development of a prospect, the timing of third-party projects, and the availability of suitable equipment and qualified personnel. These assumptions are inherently subject to significant business, political, economic, regulatory, environmental and competitive uncertainties, contingencies and risks, all of which are difficult to predict and many of which are beyond our control. We may need to raise additional funds more quickly if one or more of our assumptions proves to be incorrect or if we choose to expand our hydrocarbon asset acquisition, exploration, appraisal, development efforts or any other activity more rapidly than we presently anticipate. We may decide to raise additional funds before we need them if the conditions for raising capital are favorable. We may seek to sell equity or debt securities or obtain additional bank credit facilities. The sale of equity securities could result in dilution to our shareholders. The incurrence of additional indebtedness could result in increased fixed obligations and additional covenants that could restrict our operations.

*2013 Capital Program*

Our estimate for the 2013 capital program increased from \$525.0 million to \$560.0 million. The 2013 capital expenditure budget consists of:

- approximately 50% for developmental related expenditures offshore Ghana; and
- approximately 50% for exploration and appraisal related expenditures, including new venture opportunities.

The ultimate amount of capital we will spend may fluctuate materially based on market conditions and the success of our drilling results. Our future financial condition and liquidity will be impacted by, among other factors, our level of production of oil and the prices we receive from the sale of these commodities, the success of our exploration and appraisal drilling program, the number of commercially viable oil and natural gas discoveries made and the quantities of oil and natural gas discovered, the speed with which we can bring such discoveries to production, and the actual cost of exploration, appraisal and development of our oil and natural gas assets.

The following table presents our liquidity and financial position as of June 30, 2013:

	<b>June 30, 2013</b>
	<b>(In thousands)</b>
Cash and cash equivalents	\$ 508,874
Drawings under the Facility	900,000
Net debt	391,126
Availability under the Facility	\$ 399,141
Availability under the Corporate Revolver	300,000
Available borrowings plus cash and cash equivalents	1,208,015



**Cash Flows**

	Six Months Ended June 30,	
	2013	2012
(In thousands)		
Net cash provided by (used in):		
Operating activities	\$ 276,870	\$ 160,685
Investing activities	(167,894)	(194,194)
Financing activities	(115,266)	(9,632)

**Operating activities.** Net cash provided by operating activities for the six months ended June 30, 2013 was \$276.9 million compared with net cash provided by operating activities for the six months ended June 30, 2012 of \$160.7 million. The increase in cash provided by operating activities in the six months ended June 30, 2013 when compared to the same period in 2012 was primarily due to an increase in oil and gas revenues offset by a negative change in working capital items.

**Investing activities.** Net cash used in investing activities for the six months ended June 30, 2013 was \$167.9 million compared with net cash used in investing activities for the six months ended June 30, 2012 of \$194.2 million. The decrease in cash used in investing activities in the six months ended June 30, 2013 when compared to the same period in 2012 was primarily attributable to a decrease in expenditures for oil and gas assets in Ghana, offset by an increase in expenditures for oil and gas activities in Cameroon.

**Financing activities.** Net cash used in financing activities for the six months ended June 30, 2013 was \$115.3 million compared with net cash used in financing activities for the six months ended June 30, 2012 of \$9.6 million. The increase in cash used in financing activities in the six months ended June 30, 2013 when compared to the same period in 2012 was primarily due to the payment on our long-term debt.

**Contractual Obligations**

The following table summarizes by period the payments due for our estimated contractual obligations as of June 30, 2013:

	Payments Due By Year(3)						
	Total	2013(4)	2014	2015	2016	2017	Thereafter
(In thousands)							
Facility(1)	\$ 900,000	\$ —	\$ 34,759	\$ 325,235	\$ 35,272	\$ 393,623	\$ 111,111
Interest payments on long-term debt(2)	166,580	22,716	45,730	38,738	33,007	24,605	1,784
Operating leases	20,156	1,415	2,921	3,022	3,122	3,223	6,453
Drilling rig contract(5)	651,525	—	90,440	217,175	217,770	126,140	—

- (1) The estimated repayments of debt are based on the level of borrowings and the available borrowing base as of June 30, 2013. Any increases or decreases in the level of borrowings or increases or decreases in the available borrowing base would impact the scheduled maturities of debt during the next five years and thereafter. As of June 30, 2013, there were no borrowings under the Corporate Revolver.
- (2) Based on outstanding borrowings as noted in (1) above and the LIBOR yield curves at the reporting date and commitment fees related to the Facility and Corporate Revolver.
- (3) Does not include purchase commitments for jointly owned fields and facilities where we are not the operator and excludes commitments for exploration activities, including well commitments, in our petroleum contracts and farm-in agreements.
- (4) Represents payments for the period from July 1, 2013 through December 31, 2013.
- (5) Commitments calculated using a day rate of \$595,000 and an estimated rig delivery date of August 1, 2014.

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The following table presents maturities by expected maturity dates under the Facility, the weighted average interest rates expected to be paid on the Facility given current contractual terms and market conditions, and the debt's estimated fair value. Weighted-average interest rates are based on implied forward rates in the yield curve at the reporting date. This table does not take into account amortization of deferred financing costs.

	July 1 Through December 31, 2013(1)	Years Ending December 31,					Thereafter	Liability Fair Value at June 30, 2013
		2014	2015	2016	2017			
(In thousands, except percentages)								
Variable rate debt:								
Facility(2)	\$ —	\$ 34,759	\$ 325,235	\$ 35,272	\$ 393,623	\$ 111,111	\$ (900,000)	
Weighted average interest rate (3)	3.54%	4.06%	4.63%	6.21%	7.30%	7.81%		
Interest rate swaps:								
Notional debt amount(4)	\$ —	\$ 47,033	\$ 16,875	\$ 6,250	\$ —	\$ —	\$ (1,621)	
Fixed rate payable		2.22%	2.22%	2.22%				
Variable rate receivable(5)		0.60%	1.08%	1.77%				
Notional debt amount(4)	\$ —	\$ 47,033	\$ 16,875	\$ 6,250	\$ —	\$ —	\$ (1,727)	
Fixed rate payable		2.31%	2.31%	2.31%				
Variable rate receivable(5)		0.60%	1.08%	1.77%				
Notional debt amount(4)	\$ —	\$ 1,868	\$ —	\$ —	\$ —	\$ —	\$ (73)	
Fixed rate payable		0.98%						
Variable rate receivable(5)		0.53%						
Notional debt amount(4)	\$ —	\$ 38,434	\$ 23,137	\$ —	\$ —	\$ —	\$ (451)	
Fixed rate payable		1.34%	1.34%					
Variable rate receivable(5)		0.60%	0.89%					

- (1) The interest rate swaps' variable rate receivable for the period July 1 through December 31, 2013 locked on June 26, 2013, therefore the notional amounts are not subject to changes in interest rates.
- (2) The amounts included in the table represent principal maturities only. The scheduled maturities of debt are based on the level of borrowings and the available borrowing base as of June 30, 2013. Any increases or decreases in the level of borrowings or increases or decreases in the available borrowing base would impact the scheduled maturities of debt during the next five years and thereafter. As of June 30, 2013, there were no borrowings under the Corporate Revolver.
- (3) Based on outstanding borrowings as noted in (1) above and the LIBOR yield curves plus applicable margin at the reporting date. Excludes commitment fees related to the Facility and Corporate Revolver.
- (4) Represents weighted average notional contract amounts of interest rate derivatives. In the final year of maturity, represents notional amount from January — June.
- (5) Based on implied forward rates in the yield curve at the reporting date.

**Off-Balance Sheet Arrangements**

We may enter into off-balance sheet arrangements and transactions that can give rise to material off-balance sheet obligations. As of June 30, 2013, our material off-balance sheet arrangements and transactions include operating leases and undrawn letters of credit. There are no other transactions, arrangements, or other relationships with unconsolidated entities or other persons that are reasonably likely to materially affect Kosmos' liquidity or availability of or requirements for capital resources.

**Critical Accounting Policies**

We consider accounting policies related to our revenue recognition, exploration and development costs, receivables, income taxes, derivatives and hedging activities, estimates of proved oil and natural gas reserves, asset retirement obligations and impairment of long-lived assets as critical accounting policies. The policies include significant estimates made by management using information available at the time the estimates are made. However, these estimates could change materially if different information or assumptions were used. These policies are summarized in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" section in our annual report on Form 10-K, for the year ended December 31, 2012.

### Cautionary Note Regarding Forward-looking Statements

This quarterly report on Form 10-Q contains estimates and forward-looking statements, principally in “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Our estimates and forward-looking statements are mainly based on our current expectations and estimates of future events and trends, which affect or may affect our businesses and operations. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are made in light of information currently available to us. Many important factors, in addition to the factors described in our quarterly report on Form 10-Q and our annual report on Form 10-K, may adversely affect our results as indicated in forward-looking statements. You should read this quarterly report on Form 10-Q, the annual report on Form 10-K and the documents that we have filed with the Securities and Exchange Commission completely and with the understanding that our actual future results may be materially different from what we expect. Our estimates and forward-looking statements may be influenced by the following factors, among others:

- our ability to find, acquire or gain access to other discoveries and prospects and to successfully develop our current discoveries and prospects;
- uncertainties inherent in making estimates of our oil and natural gas data;
- the successful implementation of our and our block partners’ prospect discovery and development and drilling plans;
- projected and targeted capital expenditures and other costs, commitments and revenues;
- termination of or intervention in concessions, rights or authorizations granted by the governments of Ghana, Cameroon, Ireland, Mauritania, Morocco or Suriname (or their respective national oil companies) or any other federal, state or local governments or authorities, to us;
- our dependence on our key management personnel and our ability to attract and retain qualified technical personnel;
- the ability to obtain financing and to comply with the terms under which such financing may be available;
- the volatility of oil and natural gas prices;
- the availability, cost, function and reliability of developing appropriate infrastructure around and transportation to our discoveries and prospects;
- the availability and cost of drilling rigs, production equipment, supplies, personnel and oilfield services;
- other competitive pressures;
- potential liabilities inherent in oil and natural gas operations, including drilling risks and other operational and environmental hazards;
- current and future government regulation of the oil and gas industry;
- cost of compliance with laws and regulations;
- changes in environmental, health and safety or climate change laws, greenhouse gas regulation or the implementation, or interpretation, of those laws and regulations;
- environmental liabilities;
- geological, technical, drilling, production and processing problems;
- military operations, civil unrest, terrorist acts, wars or embargoes;
- the cost and availability of adequate insurance coverage;
- our vulnerability to severe weather events;
- our ability to meet our obligations under the agreements governing our indebtedness;
- the availability and cost of financing and refinancing our indebtedness;
- the amount of collateral, if any, required to be posted from time to time in our hedging transactions;
- our success in risk management activities, including the use of derivative financial instruments to hedge commodity and interest rate risks; and
- other risk factors discussed in the “Item 1A. Risk Factors” section of this quarterly report on Form 10-Q and our annual report on Form 10-K.

The words “believe,” “may,” “will,” “aim,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “plan” and similar words are intended to identify estimates and forward-looking statements. Estimates and forward-looking statements speak only as of the date they were made, and, except to the extent required by law, we undertake no obligation to update or to review any estimate and/or forward-looking statement because of new information, future events or other factors. Estimates and forward-looking statements involve risks and uncertainties and are not guarantees of future performance. As a result of the risks and uncertainties described above, the estimates and forward-looking statements discussed in this quarterly report on Form 10-Q might not occur, and our future results and our performance may differ materially from those expressed in these forward-looking statements due to, including, but not limited to, the factors mentioned above. Because of these uncertainties, you should not place undue reliance on these forward-looking statements.

### Item 3. Qualitative and Quantitative Disclosures About Market Risk

The primary objective of the following information is to provide forward-looking quantitative and qualitative information about our potential exposure to market risks. The term “market risks” as it relates to our currently anticipated transactions refers to the risk of loss arising from changes in commodity prices and interest rates. These disclosures are not meant to be precise indicators of expected future losses, but rather indicators of reasonably possible losses. This forward-looking information provides indicators of how we view and manage ongoing market risk exposures. We enter into market-risk sensitive instruments for purposes other than to speculate.

We manage market and counterparty credit risk in accordance with policies and guidelines. In accordance with these policies and guidelines, our management determines the appropriate timing and extent of derivative transactions. See “Item 8. Financial Statements and Supplementary Data—Note 2—Accounting Policies, Note 10—Derivative Financial Information and Note 11—Fair Value Measurements” section of our annual report on Form 10-K for a description of the accounting procedures we follow relative to our derivative financial instruments.

The following table reconciles the changes that occurred in fair values of our open derivative contracts during the six months ended June 30, 2013:

	Derivative Contracts Assets (Liabilities)		
	Commodities	Interest Rates	Total
	(In thousands)		
Fair value of contracts outstanding as of December 31, 2012	\$ (16,603)	\$ (5,939)	\$ (22,542)
Changes in contract fair value	2,535	50	2,585
Contract maturities (settlements)	13,127	2,017	15,144
Fair value of contracts outstanding as of June 30, 2013	<u>\$ (941)</u>	<u>\$ (3,872)</u>	<u>\$ (4,813)</u>

#### Commodity Derivative Instruments

We enter into various oil derivative contracts to mitigate our exposure to commodity price risk associated with anticipated future oil production. These contracts currently consist of three-way collars.

#### Commodity Price Sensitivity

The following table provides information about our oil derivative financial instruments that were sensitive to changes in oil prices as of June 30, 2013:

Term	Type of Contract	MBbl	Weighted Average Dated Brent Price per Bbl				Asset (Liability) Fair Value at June 30, 2013(1)(2)
			Deferred Premium	Floor	Ceiling	Call	
2013:							
July—December	Three-way collars	750	\$ 4.82	\$ 95.00	\$ 105.00	\$ 125.00	\$ (3,519)
July—December	Three-way collars	506	—	87.50	115.00	135.00	175
July—December	Three-way collars	500	—	90.00	115.39	135.00	313
July—December	Three-way collars	500	—	90.08	115.00	135.00	312
2014:							
January—December	Three-way collars	1,500	1.22	85.00	115.00	140.00	716
January—December	Three-way collars	1,000	—	85.00	115.01	140.00	1,665

- (1) Fair values are based on the average forward Dated Brent oil prices on June 30, 2013 which by year are: 2013—\$100.99 and 2014—\$97.81. These fair values are subject to changes in the underlying commodity price. The average forward Dated Brent oil prices based on July 29, 2013 market quotes by year are: 2013—\$106.05 and 2014—\$101.67.
- (2) Excludes \$0.6 million of cash settlements made on our three-way collars which were settled in the month subsequent to period end.

## **Interest Rate Derivative Instruments**

See “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations” section of our annual report on Form 10-K for specific information regarding the terms of our interest rate derivative instruments that are sensitive to changes in interest rates.

## **Interest Rate Sensitivity**

At June 30, 2013, we had indebtedness outstanding under the Facility of \$900.0 million, of which \$699.4 million bore interest at floating rates. The interest rate on this indebtedness as of June 30, 2013 was approximately 3.4%. If LIBOR increased 10% at this level of floating rate debt, we would pay an additional \$0.1 million in interest expense per year on the Facility. We pay commitment fees on the \$399.1 million of undrawn availability and \$200.9 million of unavailable commitments under the Facility and on the \$300.0 million of undrawn availability under the Corporate Revolver, which are not subject to changes in interest rates.

As of June 30, 2013, the fair market value of our interest rate swaps was a net liability of approximately \$3.9 million. If LIBOR increased by 10%, we estimate the liability would decrease to approximately \$3.7 million, and if LIBOR decreased by 10%, we estimate the liability would increase to approximately \$4.0 million.

## **Item 4. Controls and Procedures**

### *Evaluation of Disclosure Controls and Procedures*

As of the end of the period covered by this report, an evaluation of the effectiveness of the design and operation of the Company’s disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) was performed under the supervision and with the participation of the Company’s management, including our Chief Executive Officer and Chief Financial Officer. This evaluation considered the various processes carried out under the direction of our disclosure committee in an effort to ensure that information required to be disclosed in the SEC reports we file or submit under the Exchange Act is accurate, complete and timely. However, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. The design of a control system must reflect the fact that there are resource constraints, and the benefit of controls must be considered relative to their costs. Consequently, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. Based upon this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that the Company’s disclosure controls and procedures were effective as of June 30, 2013, in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, including that such information is accumulated and communicated to the Company’s management, including our Chief Executive Officer and our Chief Financial Officer, to allow timely decisions regarding required disclosure.

### *Evaluation of Changes in Internal Control over Financial Reporting*

There were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### **Item 1. Legal Proceedings**

There have been no material changes from the information concerning legal proceedings discussed in the “Item 3. Legal Proceedings” section of our annual report on Form 10-K.

### **Item 1A. Risk Factors**

There have been no material changes from the risk factors disclosed in “Item 1A. Risk Factors” section of our annual report on Form 10-K.

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

There have been no material changes from the information concerning the use of proceeds from our IPO discussed in the “Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities” section of our annual report on Form 10-K.

### **Item 3. Defaults Upon Senior Securities**

None.

### **Item 4. Mine Safety Disclosures**

Not applicable.

### **Item 5. Other Information.**

There have been no material changes required to be reported under this Item that have not previously been disclosed in the annual report on Form 10-K, other than as follows:

#### **Disclosures Required Pursuant to Section 13(r) of the Securities Exchange Act of 1934**

Under the Iran Threat Reduction and Syria Human Rights Act of 2012, which added Section 13(r) of the Exchange Act, we are required to include certain disclosures in our periodic reports if we or any of our “affiliates” (as defined in Rule 12b-2 under the Exchange Act) knowingly engaged in certain specified activities during the period covered by the report. Because the Securities and Exchange Commission (“SEC”) defines the term “affiliate” broadly, it includes any entity controlled by us as well as any person or entity that controls us or is under common control with us (“control” is also construed broadly by the SEC).

We are not presently aware that we and our consolidated subsidiaries have knowingly engaged in any transaction or dealing reportable under Section 13(r) of the Exchange Act during the fiscal quarter ended June 30, 2013. In addition, except as described below, at the time of filing this quarterly report on Form 10-Q, we are not aware of any such reportable transactions or dealings by companies that may be considered our affiliates as to whether they have knowingly engaged in any such reportable transactions or dealings during such periods. Upon the filing of periodic reports by such other companies for the fiscal quarter or fiscal year ended June 30, 2013, as the case may be, additional reportable transactions may be disclosed by such companies.

As of April 1, 2013, funds affiliated with The Blackstone Group (“Blackstone”) held approximately 29% of our outstanding common shares, and funds affiliated with Warburg Pincus (“Warburg Pincus”) held approximately 36% of our outstanding common shares. We are also a party to a shareholders agreement with Blackstone and Warburg Pincus pursuant to which, among other things, Blackstone and Warburg Pincus each currently have the right to designate three members of our board of directors. Accordingly, each of Blackstone and Warburg Pincus may be deemed an “affiliate” of us, both currently and during the fiscal quarter ended June 30, 2013.

#### ***Disclosure relating to Blackstone and its affiliates***

Blackstone also informed us of the information reproduced below (the “Hilton Disclosure”) regarding Hilton Worldwide, Inc. (“Hilton”), a company that may be considered one of Blackstone’s affiliates. Because both we and Hilton are controlled by Blackstone, we may be considered an “affiliate” of Hilton for the purposes of Section 13(r) of the Exchange Act.

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*Hilton Disclosure:*

Quarter ended June 30, 2013

“As previously disclosed, during the reporting period, certain individual employees at two Hilton-branded hotels in the United Arab Emirates received routine wage payments as direct deposits to their personal accounts at Bank Melli, an entity identified on the Specially Designated Nationals and Blocked Persons List (“SDN List”) maintained by the Office of Foreign Assets Control in the U.S. Department of the Treasury. Both of these hotels are owned by a third party, staffed by employees of the third-party owner and operated pursuant to a management agreement between the owner and a Hilton affiliate. In each case, these payments originated from the third-party owner’s account to the personal accounts of the employees at their chosen bank. During the reporting period, both hotels discontinued making direct deposits to accounts at Bank Melli. No revenues or net profits are associated with these transactions.

Also as previously disclosed, during the reporting period, several individuals stayed at the DoubleTree Kuala Lumpur, Malaysia, pursuant to a rate agreement between the hotel and Mahan Air, an entity identified on the SDN List. The rate agreement was terminated as of May 2, 2013. This hotel is staffed by employees of the third-party owner and operated pursuant to a management agreement between the owner and a Hilton affiliate. Under the rate agreement, which was entered into in the name of the owner, the hotel reserved a number of rooms for Mahan Air crew members at the DoubleTree Kuala Lumpur several times each week. Revenue and net profit received by Hilton attributable to Mahan Air crew hotel stays during the reporting period was approximately \$430.”

The Hilton Disclosure relates solely to activities conducted by Hilton and do not relate to any activities conducted by us. We have no involvement in or control over the activities of Hilton, any of its predecessor companies or any of its subsidiaries. Other than as described above, we have no knowledge of the activities of Hilton with respect to transactions with Iran, and we have not participated in the preparation of the Hilton Disclosure. We have not independently verified the Hilton Disclosure, are not representing to the accuracy or completeness of the Hilton Disclosure and undertake no obligation to correct or update the Hilton Disclosure.

**Item 6. Exhibits**

The information required by this Item 6 is set forth in the Index to Exhibits accompanying this quarterly report on Form 10-Q.

**SIGNATURES**

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

Kosmos Energy Ltd.  
(Registrant)

Date August 5, 2013

/s/ W. GREG DUNLEVY

W. Greg Dunlevy  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)



**INDEX OF EXHIBITS**

<b>Exhibit Number</b>	<b>Description of Document</b>
10.1*	Multi-Currency Revolving Letter of Credit Facility Agreement , dated as of July 3, 2013, among Kosmos Energy Credit International, as the Original Borrower, Kosmos Energy Ltd., as the Original Guarantor, and Societe Generale, London Branch, as the Original Lender, Facility Agent, Security Agent and Account Bank.
10.2*	Charge on Cash Deposits and Account Bank Agreement, dated as of July 3, 2013, among Kosmos Energy Credit International and Societe Generale, London Branch, as Security Agent and Account Bank.
10.3*+	Deepwater Drilling Unit Contract Agreement, dated as of June 9, 2013, between Kosmos Energy Ventures and Alpha Offshore Drilling Services Company.
31.1*	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document

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\* Filed herewith.

\*\* Furnished herewith.

+ Confidential treatment requested as to certain portions, which portions have been provided separately to the Securities and Exchange Commission.

**DATED 3 JULY 2013**

**KOSMOS ENERGY CREDIT INTERNATIONAL**  
as Original Borrower

- and -

**KOSMOS ENERGY LTD.**  
as Original Guarantor

- and -

**SOCIETE GENERALE, LONDON BRANCH**  
as Facility Agent, Security Agent and Account Bank

- and -

**THE FINANCIAL INSTITUTIONS LISTED IN SCHEDULE 1**  
as Original Lender

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**UP TO USD 150,000,000 MULTICURRENCY REVOLVING  
LETTER OF CREDIT FACILITY AGREEMENT**

---

Slaughter and May  
One Bunhill Row  
London  
EC1Y 8YY  
(SRG/TXI)

515794578

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**THIS AGREEMENT** is dated 3 July , 2013 and made between:

- (1) **KOSMOS ENERGY CREDIT INTERNATIONAL**, a company incorporated in the Cayman Islands, with registered number 256364 and whose registered office is at PO Box 32322, 4th Floor, Century Yard, Cricket Square, Elgin Avenue, George Town, Grand Cayman, KY1-1209, Cayman Islands (the “**Original Borrower**” or the “**Company**” or “**KECI**”);
  - (2) **KOSMOS ENERGY LTD.**, 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 (the “**Original Guarantor**”);
  - (3) **SOCIETE GENERALE, LONDON BRANCH** as Original Lender (the “**Original Lender**”); and
  - (4) **SOCIETE GENERALE, LONDON BRANCH** as facility agent of the Finance Parties under this Agreement (the “**Facility Agent**”), as the security agent for the Secured Parties (the “**Security Agent**”) and as the account bank for any Cash Collateral provided by the Original Borrower (the “**Account Bank**”).
-

## **INTRODUCTION**

- (1) The Original Lender has agreed to provide a secured revolving letter of credit facility for up to USD 150 million.
  - (2) The parties have agreed to enter into this Agreement for the purpose of setting out the provisions on which such facility will be provided.
-

**PART 1**  
**INTERPRETATION**

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

Each of the defined terms and interpretative provisions set out below and in the above list of parties to this Agreement shall apply to this Agreement and each Finance Document, unless an express contrary intention appears in that Finance Document.

“**Account Bank**” means the Account Bank under the Charge from time to time being, on the date of this Agreement, Societe Generale, London Branch.

“**Accounting Reference Date**” means 31 December of each year.

“**Additional Commitment Date**” has the meaning given to that term in clause 3.2 (*Additional Commitments*).

“**Additional Commitment Notice**” has the meaning given to it in clause 3.2 (*Additional Commitments*).

“**Additional Debt**” means, in relation to any debt, any money, debt or liability due, owing or incurred under or in connection with:

- (A) any refinancing, deferral, novation or extension of that debt;
- (B) any further advance which may be made under any document, agreement or instrument supplemental to any relevant Finance Document together with any related interest, fees and costs;
- (C) any claim for damages or restitution in the event of rescission of that debt or otherwise in connection with any relevant Finance Document;
- (D) any claim against the Company flowing from any recovery by the Company or any liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer of a payment or discharge in respect of that debt on the grounds of preference or otherwise; and
- (E) any amount (such as post-insolvency interest) which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings.

“**Additional Guarantor**” means any Group member which becomes an additional guarantor in accordance with clause 22.2 (*Additional Guarantor*).

“**Additional Lender**” has the meaning given to that term in clause 3.2 (*Additional Commitments*).

“**Additional Obligor**” means an Additional Guarantor.

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“**Affected Facility Agent**” has the meaning given to that term in clause 23.11 (*Replacement of Administrative parties*) of this Agreement.

“**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 each of the Facility Agent and the Security Agent and “**Agents**” shall be construed accordingly.

“**Agreement**” means this facility agreement as amended, supplemented or otherwise varied from time to time.

“**Approved Accounting Principles**” means US generally accepted accounting principles to the extent applicable to the relevant financial statements.

“**Approved Auditor**” means any one of Deloitte LLP, Ernst & Young, PricewaterhouseCoopers LLP or such other internationally recognised auditor as the Majority Lenders may approve from time to time (acting reasonably).

“**Authorisation**” means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

“**Authorised Signatory**” means, in relation to a company or other legal person:

- (A) one or more directors who are duly authorised, whether singly or jointly, to act to bind that company or other legal person; or
- (B) a person or persons duly authorised by that company or other legal person to act to bind that company or other legal person.

“**Authority**” means any governmental, provincial or local government, department, authority, court, tribunal or other judicial or regulatory body, instrumentality or agency in any of the countries where the Borrower operates its business.

“**Availability Period**” means the period from and including the date of this Agreement to and including the date falling one month before the Termination Date.

“**Available Commitment**” means a Lender’s Commitment minus:

- (A) the amount (in the Base Currency) of its participation in any outstanding Letter of Credit; and
- (B) in relation to any proposed Utilisation, the amount (in the Base Currency) of its participation in any Letter of Credit that is due to be issued on or before the proposed Utilisation Date,

other than that Lender’s participation in any Letter of Credit that is due to be repaid or prepaid on or before the proposed Utilisation Date.

---



“**Available Facility**” means the aggregate for the time being of each Lender’s Available Commitment.

“**Base Currency**” means US Dollars.

“**Base Currency Amount**” means, in relation to a Letter of Credit, the amount specified in the Utilisation Request delivered by a Borrower for that Letter of Credit (or, if the amount requested is not denominated in the Base Currency, that amount converted into the Base Currency at the Facility Agent’s Spot Rate of Exchange on the date which is three Business Days before the Utilisation Date or, if later, on the date the Facility Agent receives the Utilisation Request).

“**Basel II**” has the meaning given to it in clause 12.3 (*Exceptions*).

“**Basel III**” means the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision on 16 December 2010.

“**Beneficiary**” means any person to whom any Letter of Credit is issued in favour of.

“**Borrower**” means the Original Borrower.

“**Business Day**” means a day (other than a Saturday or Sunday) when banks are open for business in London, Paris and, in the case of a Letter of Credit which is not governed by English law, in the principal banking city of such jurisdiction.

“**Calculation Date**” means:

- (A) 31 March and 30 September in each year commencing on and from 30 September 2013; and
  - (B) a date (selected by the Company) which is within 30 days before the occurrence of each of the following events:
    - (i) the issuance of HY Notes;
    - (ii) any increase of the “Total Available Facility Amount” (as defined in the RBL Facility Agreement) or any refinancing of the RBL Facility Agreement;
    - (iii) any increase of the amount available under the Facility or any refinancing of the Facility, provided that any increase in the Total Commitments pursuant to clause 3.2 (*Additional Commitments*) shall not trigger a Calculation Date if the Additional Commitment Notice has been given within 90 days of a previous occurrence of a Calculation Date;
-

- (iv) the incurrence by any member of the Group of any new Financial Indebtedness (but, for the avoidance of doubt, not including the refinancing of any existing Financial Indebtedness, except as provided for in paragraphs (ii) and (iii) above); or
- (v) a Ghana Petroleum Agreement Small Sale Event.

“**Calculation Trigger Event**” means any event listed in paragraphs (B)(i) to (v) of the definition of “**Calculation Date**”.

“**Cash Collateral**” means the cash denominated in US Dollars deposited in the LC Cash Collateral Accounts in accordance with clause 6.14 ( *Cash collateralisation*) or 20.15(C) (*Acceleration*).

“**Change of Control**” has the meaning given to that term in clause 8.2 ( *Change of Control*) of this Agreement.

“**Charge**” means the charge on cash deposits and the account bank agreement dated on or about the date of this Agreement between the Company, the Security Agent and the Account Bank.

“**Charged Property**” means all of the assets which from time to time are, or are expressed to be, the subject of the Transaction Security.

“**Committed Additional Participation**” has the meaning given to it in clause 3.2 ( *Additional Commitments*).

“**Commitment**” means:

- (A) in relation to an Original Lender, the amount in Base Currency set opposite its name under the heading “Commitment” in Schedule 1 ( *The Original Lender*) of this Agreement, the amount of any other Commitment transferred to it and the amount of any Committed Additional Participation assumed by it pursuant to clause 3.2 ( *Additional Commitments*); and
- (B) in relation to any other Lender, the amount in Base Currency of any Commitment transferred to it and the amount of any Committed Additional Participation assumed by it pursuant to clause 3.2 ( *Additional Commitments*),

to the extent not cancelled, reduced or transferred by it.

“**Compliance Certificate**” means a certificate substantially in the form set out in Schedule 5 ( *Form of Compliance Certificate*) of this Agreement.

“**Conditions Precedent**” means the conditions precedent to initial Utilisation of the Facility as set out in Schedule 2 ( *Conditions Precedent*) of this Agreement.

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“**Confidentiality Undertaking**” means a confidentiality undertaking substantially in the form of Schedule 6 (*Form of Confidentiality Undertaking*) of this Agreement or in any other form agreed between the Company and the Facility Agent.

“**Consolidated Cash and Cash Equivalents**” means, in relation to the Group, at any time:

- (A) cash in hand or on deposit including, for the avoidance of doubt, restricted cash;
- (B) any investment in a liquidity fund, provided that such investment is capable of being withdrawn in cash on not more than five Business Days’ notice;
- (C) certificates of deposit, maturing within one year after the relevant date of calculation;
- (D) any investment in marketable obligations in Sterling, US Dollar or Euro having not more than three months to final maturity issued or guaranteed with a rating of A- or above by Standard and Poor’s (or its equivalent by Moody’s);
- (E) any other instrument, security or investment approved in writing by the Majority Lenders.

“**Consolidated Total Borrowings**” means, in relation to the Group, at any time the aggregate of the following:

- (A) the outstanding principal amount of any Financial Indebtedness incurred;
- (B) any fixed or minimum premium payable on the repayment or redemption of any instrument referred to in paragraph (A) above; and
- (C) the outstanding principal amount of any indebtedness arising in connection with any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing,

including any interest treated as capitalised under applicable Approved Accounting Principles but without double-counting and, for the avoidance of doubt, excluding any such amount or indebtedness owed by one member of the Group to another member of the Group.

“**Consolidated Total Net Borrowings**” means, for any Measurement Period, Consolidated Total Borrowings less Consolidated Cash and Cash Equivalents each as at the last day of that Measurement Period.

“**Contractor**” means the contractor under the WCTP PA and the DWT PA respectively from time to time.

“**Default**” means an Event of Default or event which, with the giving of notice, lapse of time, or fulfilment of any condition, would constitute an Event of Default.

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“**Delegate**” means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

“**Deposit Agreements**” means the agreements signed on or about the date of this Deed (or any future date providing the agreements are in substantially the same form as those signed on the date of this Deed) between KECI and Societe Generale, London Branch which detail the terms and conditions which apply to the Accounts (as defined in the Charge).

“**Derivative Agreement**” means an ISDA Master Agreement or similar agreement pursuant to which Derivative Transactions are entered into by the Borrower with a counterparty.

“**Derivative Transaction**” means any transaction entered into under a Derivative Agreement, including (but not limited to) any transaction which is a forward rate agreement, option, future, swap, cap, floor and any combination of the foregoing.

“**Discharge Date**” means the first date on which all liabilities (whether actual or contingent) owed to the Finance Parties have finally been discharged and such Finance Parties are under no further obligation to provide financial accommodation under the Finance Documents.

“**Discharged Rights and Obligations**” has the meaning given to it in clause 21.6 (*Procedure for transfer*).

“**Dispute**” has the meaning given to it in clause 39.1 (*Submission*).

“**Disruption Event**” means either or both of:

- (A) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (B) the occurrence of any other event which results in a disruption (including, without limitation, disruption of a technical or systems-related nature) to the treasury or payments operations of a Party preventing or severely inhibiting that or any other Party:
  - (i) from performing its payment obligations under the Finance Documents; or
  - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

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“**DWT Block**” means the Deep Water Tano area offshore Ghana, being the area described in Annex 1 of the DWT PA, but excluding any portions of such area in respect of which the Contractor’s rights thereunder are from time to time relinquished or surrendered pursuant to the DWT PA.

“**DWT PA**” means the petroleum agreement dated 10 March 2006 between the Government of Ghana, represented by the Minister, the GNPC, Tullow Ghana Limited, Sabre Oil and Gas Limited and KEG in respect of the DWT Block (and all amendments and supplements thereto).

“**EBITDAX**” means, in relation to the Group for any Measurement Period, its consolidated income on ordinary activities before Tax for that period, but adjusted by:

- (A) adding back Net Interest Payable;
  - (B) adding back depletion and depreciation charged to the consolidated profit and loss account of the Group;
  - (C) adding back amounts amortised to the consolidated profit and loss account of the Group;
  - (D) adding back any amount attributable to exploration expense (except to the extent that any such exploration expenses have been capitalised);
  - (E) adding back any amount attributable to unrealised losses, and deducting any amount attributable to unrealised gains on the value of any Derivative Transaction;
  - (F) adding back any amount attributable to a loss and deducting any amount attributable to a gain against book value on the disposal of any non-current asset and any amount attributable to an impairment charge relating to a non-current asset;
  - (G) adding back the amount attributable to any compensation which is paid by way of equity instruments in KEL;
  - (H) adding back or deducting (as applicable) the amount attributable to any other material item of an unusual or non-recurring nature which represent gains or losses, including (but not limited to) those arising on:
    - (i) the refinancing of or the extinguishment of any financing, in relation to any cost associated with the original financing which is subsequently written off as a consequence of that refinancing or extinguishment; and
    - (ii) the restructuring of the activities of an entity and the reversal of any provisions for the cost of restructuring,
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for that Measurement Period. In addition, for the purposes of the calculation of the financial covenant contained in clause 18 (*Financial Covenants*), EBITDAX in relation to the Group for any Measurement Period shall be adjusted by:

- (I) including the EBITDAX of a subsidiary of the Company or attributable to a business or asset acquired during that Measurement Period for the part of the Measurement Period when it was not a member of the Group and/or the business or asset was not owned by a member of the Group; and
- (J) excluding the EBITDAX attributable to any subsidiary of the Company or to any business or asset sold during that Measurement Period.

“**Enforcement Action**” shall have the meaning given to that term in the Intercreditor Agreement.

“**EO**” means EO Group Limited, a Cayman Islands company with registered company number 219175 whose registered place of business is at PMB CT 123, Cantonments, 112A Adole Crescent Way, Airport, Accra, Ghana (formerly known as the KG Group Limited).

“**Euro**” means the single currency of the Participating Member States.

“**Event of Default**” means any event or circumstance specified as such in clause 20 (*Events of Default*) of this Agreement.

“**Excess Cash Collateral**” has the meaning given to it in clause 6.14(F) (*Cash Collateralisation*).

“**Existing Lender**” has the meaning given to it in clause 21.1 (*Assignments and transfers and changes in Facility Office by the Lenders*).

“**Facility**” means the revolving letter of credit facility made available under this Agreement as described in clause 3 (*The Facility*) of this Agreement.

“**Facility Agent’s Spot Rate of Exchange**” means the Facility Agent’s spot rate of exchange for the purchase of the relevant currency with the Base Currency in the London foreign exchange market at or about 11:00 a.m. on a particular day.

“**Facility Office**” means the office or offices notified by a Lender to the Facility Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days’ written notice where notice is required under clause 23.13 (*Facility Agent relationship with the Lenders*)) as the office or offices through which it will perform its obligations under this Agreement.

“**Fee Letter**” means:

- (A) any letter or letters dated after the date of this Agreement between any Finance Party and the Company which are required following any syndication of the Facility and which set out any of the fees referred to in clause 10 (*Fees*) of this Agreement and any other fees payable by
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the Company to a Finance Party pursuant to a Finance Document or payable under the Facility; and

(B) the letter dated on or around the date of this Agreement between Societe Generale, London Branch and KECI which details the fee payable in respect of the arrangement of the Facility.

“**Finance Document**” means this Agreement, each Security Document, any Fee Letter and any other document designated as such by the Facility Agent and the Company.

“**Finance Party**” means each of the Lenders, the Facility Agent and the Security Agent and “**Finance Parties**” shall be construed accordingly.

“**Financial Covenants**” means the financial covenants listed under clause 18 (*Financial Covenants*) of this Agreement.

“**Financial Indebtedness**” means any indebtedness for or in respect of:

- (A) moneys borrowed;
  - (B) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
  - (C) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
  - (D) the amount of any liability in respect of any lease or hire purchase contract which would be treated in the accounts of the relevant entity as a finance or capital lease;
  - (E) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
  - (F) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the market to market value shall be taken into account);
  - (G) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition but which is classified as a borrowing in the accounts of the relevant entity;
  - (H) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of an entity which is not a member of the Group and which underlying liability would fall within one of the other paragraphs of this definition if it were a liability of a member of the Group; and
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(l) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (A) to (H) above (but only to the extent that the Financial Indebtedness supported thereby is or is at any time in the future capable of being outstanding).

“**First Currency**” has the meaning given to it in clause 13.1 (*Currency indemnity*).

“**Ghana Petroleum Agreements**” means, together, the DWT PA and the WCTP PA (and all other amendments and supplements thereto).

“**Ghana Petroleum Agreement Seller**” means KEI and/or KED and/or KEG, as applicable.

“**Ghana Petroleum Agreement Small Sale Event**” means any event which reduces a Ghana Petroleum Agreement Seller’s indirect or direct interest in the Ghana Petroleum Agreements and where, following such reduction, a Ghana Petroleum Agreement Seller has an indirect or direct interest in the Ghana Petroleum Agreements which (before and after such reduction) is (i) 100 per cent. or less; and (ii) more than 66 <sup>2</sup>/<sub>3</sub> per cent.

“**Ghana Petroleum Agreement Small Sale Percentage Reduction**” means the reduction of a Ghana Petroleum Agreement Seller’s indirect or direct interest in the Ghana Petroleum Agreements, expressed as a percentage of such Ghana Petroleum Agreement Seller’s indirect or direct interest in the Ghana Petroleum Agreements as at the first date of this Agreement, which occurs as a result of a Ghana Petroleum Agreement Small Sale Event.

“**Ghana Obligor**” means KEO, KEI, KEFI, KED, KEG and an “Obligor” from time to time, as defined under the RBL Facility Agreement.

“**GNPC**” means the Ghana National Petroleum Corporation, a public corporation established by Provisional National Defence Council Law 64 of 1983.

“**Government**” means the government of any country in which assets of the Group are situated.

“**Group**” means the Original Guarantor or any Additional Guarantor and its direct and indirect subsidiaries.

“**Guarantor**” means the Original Guarantor.

“**HY Notes**” means any debenture, bond (other than performance bonds, bid bonds, retention bonds, advance payments bonds, letters of credit or trade credit related bonds), note, loan stock or other similar security issued by KEL.

“**Illegality Lender**” has the meaning given to that term in clause 8.1 (*Illegality*) of this Agreement.

“**Increased Costs**” has the meaning given to that term in clause 12.1 (*Increased costs*) of this Agreement.

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“**Intercreditor Agreement**” means the KEFI Intercreditor Agreement;

“**IPO**” means in relation to a company, a transaction in which shares in that company are sold or issued to investors and in connection with such sale or issue are admitted to trading on a regulated market or other stock exchange.

“**IPO Reorganisation**” means any Reorganisation implemented by the Company, or any of its Subsidiaries from time to time (or any group of them), which is undertaken for the purpose of facilitating an IPO.

“**KED**” means Kosmos Energy Development, a company incorporated under the laws of the Cayman Islands with registered number 225879 and having its registered office at P.O. Box 32322, 4th Floor, Century Yard, Cricket Square, Elgin Avenue, George Town, Grand Cayman KY1-1209, Cayman Islands.

“**KEFI**” means Kosmos Energy Finance International, a company incorporated under the laws of the Cayman Islands with registered number 253656 and having its registered office at P.O. Box 32322, 4th Floor, Century Yard, Cricket Square, Elgin Avenue, George Town, Grand Cayman KY1-1209, Cayman Islands.

“**KEFI Intercreditor Agreement**” means the intercreditor agreement dated 23 November 2012 between, *inter alios*, (1) KEFI, (2) KEL, (3) Standard Chartered Bank, and (4) BNP Paribas.

“**KEG**” means Kosmos Energy Ghana HC, a company incorporated under the laws of the Cayman Islands with registered number 135710 and having its registered office at P.O. Box 32322, 4th Floor, Century Yard, Cricket Square, Elgin Avenue, George Town, Grand Cayman KY1-1209, Cayman Islands.

“**KEI**” means Kosmos Energy International, a company incorporated under the laws of the Cayman Islands with registered number 218274 and having its registered office at P.O. Box 32322, 4th Floor, Century Yard, Cricket Square, Elgin Avenue, George Town, Grand Cayman KY1-1209, Cayman Islands.

“**KEL**” means Kosmos Energy Ltd., 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.

“**KEO**” means Kosmos Energy Operating, a company incorporated under the laws of the Cayman Islands with registered number 231417 and having its registered office at P.O. Box 32322, 4th Floor, Century Yard, Cricket Square, Elgin Avenue, George Town, Grand Cayman KY1-1209, Cayman Islands.

“**LC Cash Collateral Accounts**” means the bank accounts which are established and maintained by the Original Borrower pursuant to clause 26 (*Bank Accounts*) of this Agreement with the Account Bank and which are secured in favour of the Security Agent, details of which are set out at Schedule 11 (*Details of the LC Cash Collateral Accounts*).

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“**LC Issuing Bank**” means the Original Lender and such of its global facility offices as are required to fulfil a Utilisation requested by the Borrower.

“**Lender**” means:

- (A) the Original Lender; and
- (B) any bank or financial institution which has become a Party as a lender in accordance with clause 3.2 (*Additional Commitments*) or clause 21 (*Changes to the Lenders*) of this Agreement,

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

“**Lender Accession Notice**” means a notice substantially in the form set out under Schedule 7 (*Form of Lender Accession Notice*) to be delivered by a New Lender pursuant to and in accordance with clause 21.6 (*Procedure for transfer*) or by an Additional Lender pursuant to and in accordance with clause 3.2 (*Additional Commitments*).

“**Letter of Credit**” means a letter of credit:

- (A) issued in substantially the form set out in Schedule 8 (*Form of Letter of Credit*) of this Agreement;
- (B) in such form as already issued under this Agreement; or
- (C) in any other form requested by the Borrower and agreed to by the LC Issuing Bank and the Facility Agent.

“**Letter of Credit Fee**” has the meaning given to that term in clause 10.1 (*Letter of Credit fee*).

“**Letter of Credit Rate**” has the meaning given to that term in clause 10.1 (*Letter of Credit fee*).

“**Liabilities**” means all present and future liabilities and obligations at any time of any Obligor to any Lender 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
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(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 Lenders**” means, as applicable, those Lenders whose Commitments then aggregate at least 66 <sup>2</sup>/<sub>3</sub> per cent. of the Total Commitments under the Facility.

“**Margin**” means 50 basis points per annum.

“**Material Adverse Effect**” means, in relation to any event (or series of events) or circumstance which occurs or arises, that event (or events) or circumstance (or any effect or consequence thereof) which, in the opinion of the Majority Lenders, would reasonably be expected materially and adversely to affect the financial condition, operations, or business of any Obligor or the ability of any Obligor to perform its obligations under the Finance Documents in full and on the basis contemplated therein in a way which is materially prejudicial to the interests of the Lenders or results in the Obligors being unable to pay any amounts when due and payable under the Finance Documents.

“**Measurement Period**” means in respect of a Calculation Date, a period of 12 months ending on the Calculation Date in question.

“**Minister**” means the Government’s Minister for Energy.

“**Moody’s**” means Moody’s Investors Service, Inc., a Delaware corporation and any successor thereto and if such corporation shall for any reason no longer perform the functions of a securities rating agency, Moody’s shall be deemed to refer to any other internationally recognised rating agency agreed by the Facility Agent and the Company (both acting reasonably).

“**Net Interest Payable**” means, in relation to the Group for any Measurement Period, Total Interest Payable less Total Interest Receivable for the Group during that Measurement Period.

“**New Commitment Rebalancing**” has the meaning given to it in clause 3.2 (*Additional Commitments*) of this Agreement.

“**New Lender**” has the meaning given to it in clause 21.1 (*Assignments and transfers and changes in Facility Office by the Lenders*) of this Agreement.

“**Non-Funding Lender**” means:

(A) any Lender who fails to participate in any Utilisation in the amount and at the time required;

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- (B) any Lender who has indicated publicly or to the Facility Agent or an Obligor that it does not intend to participate in all or part of any Utilisation;
- (C) any Lender which has repudiated its obligations under the Facility; or
- (D) any Lender in respect of which or in respect of whose holding company any of the events specified in clause 20.7 (*Insolvency*) or clause 20.8 (*Insolvency proceedings*) of this Agreement (disregarding paragraph (B) of clause 20.8 (*Insolvency proceedings*)) applies or has occurred.

“**Obligor**” means the Borrower and each Guarantor.

“**Ongoing Letter of Credit**” has the meaning given to that term in clause 6.14 (*Cash collateralisation*) of this Agreement.

“**Optional Currency**” means a currency (other than the Base Currency) which is approved by the LC Issuing Bank in accordance with clause 6.7 (*Conditions relating to Optional Currencies*).

“**Participating Member State**” means any member state of the European Union that has the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“**Party**” means a party to a Finance Document.

“**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 Party**” has the meaning given to it in clause 21.8 (*Disclosure of information*).

“**Permitted Transferee**” shall have the meaning given to that term in clause 8.2 (*Change of Control*).

“**Person**” has the meaning given to it in clause 17.15 (*OFAC*).

“**Pre-existing Letter of Credit**” has the meaning given to it in clause 6.15 (*Transfer of existing Letters of Credit*).

“**Process Agent**” has the meaning given to it in clause 40 (*Service of Process*).

“**Qualifying Bank**” means an internationally recognised bank:

- (A) which is not subject to Sanctions; or
  - (B) which does not have its principal place of business in a country which is subject to Sanctions; or
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- (C) which is not a bank whose principal place of business is in a country notified by the Company to the Facility Agent prior to signing of this Agreement; or
- (D) whose long-term unguaranteed, unsecured securities or debt is rated at least Baa3 (Moody's) or a comparable rating from an internationally recognised credit rating agency (except that this shall not be a requirement if an Event of Default is continuing).

“**RBL Facility Agreement**” means the facility agreement dated 28 March 2011 between, amongst others, KEFI as original borrower, KEO, KEI, KED and KEG as original guarantors, BNP Paribas as facility agent and the Original Lender named therein, as amended on 17 February 2012.

“**Receiver**” means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

“**Renewal or Extension Request**” has the meaning given to that term in clause 6.8(A) (*Renewal or extension of a Letter of Credit*).

“**Reorganisation**” means (without limitation) any transaction, deemed transaction, step, procedure or agreement, including (but without limitation) the transfer, distribution, contribution or settlement of assets and/or liabilities.

“**Repeating Representations**” means the representations set out under:

- (A) clauses 17.1 (*Status*), 17.2 (*Legal validity*), 17.3 (*Non-conflict*) and 17.4 (*Powers and authority*) of this Agreement, each as at the time the power or authority was exercised only; and
- (B) clauses 17.5 (*Authorisations*), 17.8 (*Financial statements and other factual information*), 17.9 (*Proceedings pending or threatened*), 17.10 (*Breach of laws*), 17.11 (*Ranking of security*), 17.12 (*Pari passu ranking*), 17.13 (*No immunity*) and 17.15 (*OFAC*) of this Agreement.

“**Replacement Lender**” has the meaning given to that term in clause 8.5 (*Right of repayment and cancellation in relation to a single Lender*) of this Agreement.

“**Requested Additional Commitment**” has the meaning given to it in clause 3.2 (*Additional Commitments*).

“**Required Approvals**” means all material approvals, licences, consents and authorisations necessary in connection with the execution, delivery, performance or enforcement of any Finance Document.

“**Revised Termination Date**” has the meaning given to it in clause 20.17 (*Lender's Termination*);

“**Sanctions**” has the meaning given to it in clause 17.15 (*OFAC*).

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“**Second Currency**” has the meaning given to it in clause 13.1 (*Currency indemnity*).

“**Secured Liabilities**” means at any time and without double counting, all present and future obligations and liabilities (actual or contingent) of each Obligor (whether or not for the payment of money and including any obligation to pay damages for breach of contract) which are, or are expressed to be, or may become due, owing or payable to any or all of the Secured Parties under or in connection with any of the Finance Documents, together with all costs, charges and expenses incurred by the Security Agent or any Secured Party which any Obligor is obliged to pay under any Finance Document.

“**Secured Party**” means each of the Lenders, the Facility Agent and the Security Agent.

“**Secured Property**” means:

- (A) the Transaction Security expressed to be granted in favour of the Security 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 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 Agent as trustee for the Secured Parties; and
- (C) any other amounts or property, whether rights, entitlements, choses in action or otherwise, actual or contingent, which the Security Agent is required by the terms of the Finance Documents to hold as trustee on trust for the Secured Parties.

“**Security Document**” means:

- (A) the Charge;
- (B) any other document entered into at any time by any of the Obligors creating any guarantee, indemnity, Security Interest or other assurance against financial loss in favour of any of the Secured Parties as security for any of the Secured Liabilities; and
- (C) any Security Interest granted under any covenant for further assurance in any of the documents set out in paragraphs (A) and (B) above.

“**Security Interest**” means a mortgage, charge, pledge, lien or other security interest or any other agreement or arrangement having a similar effect.

“**Service Document**” has the meaning given to it in clause 40 (*Service of Process*).

“**Shareholder**” means any funds affiliated with Warburg Pincus and Blackstone Capital Partners or the Blackstone Group.

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“**Shareholder Affiliate**” means any Affiliate of a Shareholder, any trust of which a Shareholder or any of its Affiliates is a trustee, any partnership of which a Shareholder or any of its Affiliates is a partner and any trust, fund or other entity which is managed by, or is under the control of, a Shareholder or any of its Affiliates, provided that any such trust, fund or other entity which has been established for at least six 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 Shareholder or any of its Affiliates which have been established for the primary or main purpose of investing in the share capital of companies shall constitute a Shareholder Affiliate.

“**Shareholder Distribution**” means the declaration, making or payment of a distribution to a shareholder (which shall include the payment of any loans provided by a shareholder).

“**Signing Date**” means the date on which each of the Finance Documents have been signed, as applicable.

“**Sterling**” means the lawful currency of the United Kingdom.

“**Stock Exchange**” means an organised and regulated financial market for the buying and selling of interests in financial instruments where any securities issued by any Obligor are listed from time to time.

“**Subsidiary Beneficiary**” has the meaning given to it in clause 6.6 (*Issue of Letters of Credit*).

“**Suspension Period End Date**” has the meaning given to it in clause 20.17(A) (*Lender’s Termination*).

“**Sum**” has the meaning given to it in clause 13.1 (*Currency indemnity*).

“**Tax**” means any 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).

“**Termination Date**” means the earlier of:

- (A) the date falling three years from the date of this Agreement or, if not a Business Day, the immediately preceding Business Day; or
- (B) if applicable, the Revised Termination Date calculated in accordance with clause 20.17 (*Lender’s Termination*).

“**Third Parties Act**” means the Contracts (Rights of Third Parties Act) 1999.

“**Total Commitments**” means the aggregate of the Commitments of the Lenders.

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“**Total Interest Payable**” means, in relation to the Group for any Measurement Period, all interest and other financing charges paid or payable and incurred by the Group during that Measurement Period.

“**Total Interest Receivable**” means, in relation to the Group for any Measurement Period, all interest and other financing charges received or receivable by the Group during that Measurement Period.

“**Trade Letter of Credit**” means a letter of credit which is not a standby letter of credit and operates as the primary method of payment for specified goods and/or services, instead of a payment obligation of the entity on whose behalf the letter of credit is issued.

“**Transaction Security**” means the security created or evidenced or expressed to be created or evidenced under or pursuant to the Security Documents.

“**Transfer Certificate**” means a certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) of this Agreement or any other form agreed between the Facility Agent and the Company.

“**Transfer Date**” means, in relation to a transfer, the later of:

- (A) the proposed Transfer Date specified in the Transfer Certificate; and
- (B) the date on which the Facility Agent executes the Transfer Certificate.

“**Unpaid Sum**” means any sum due and payable but unpaid by an Obligor under the Finance Documents.

“**USD**” or “**US Dollar**” means the lawful currency of the United States of America.

“**Utilisation**” means a utilisation of the Facility by way of a Letter of Credit.

“**Utilisation Date**” means the date of a Utilisation, being the date on which a Letter of Credit is issued.

“**Utilisation Request**” means a notice substantially in the form set out in Schedule 3 (*Utilisation Request*) of this Agreement.

“**VAT**” means value added tax as provided for in the Value Added Tax Act 1994 or any regulations promulgated thereunder and any other tax of a similar nature.

“**WCTP Block**” means West Cape Three Points area offshore Ghana, being the area described in Annex 1 to the WCTP PA, but excluding any portions of such area in respect of which the Contractor’s rights thereunder are from time to time relinquished or surrendered pursuant to the WCTP PA.

“**WCTP PA**” means the petroleum agreement dated 22 July 2004 between the Government of Ghana, represented by the Minister, the GNPC, KEG and EO in respect

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of the West Cape Three Points Block Off-shore Ghana (and all amendments and supplements thereto).

## 1.2 Construction of particular terms

Unless a contrary indication appears, any reference in this Agreement to:

- (A) “**this Agreement**” shall be construed as a reference to the agreement or document in which such reference appears together with all recitals and Schedules thereto;
  - (B) a reference to “**assets**” includes properties, revenues and rights of every description;
  - (C) an “**authorisation**” or “**consent**” shall be construed as including any authorisation, consent, approval, resolution, licence, exemption, permission, recording, notarisation, filing or registration;
  - (D) an “**authorised officer**” shall be construed, in relation to any Party, as a reference to a director or other person duly authorised by such Party as notified by such Party to the Facility Agent as being authorised to sign any agreement, certificate or other document or to take any decision or action, as applicable. The provision of any certificate or the making of any certification by any authorised officer of the Company shall not create for that authorised officer any personal liability to the Finance Parties;
  - (E) a “**calendar year**” is a reference to a period starting on (and including) 1 January and ending on (and including) the immediately following 31 December;
  - (F) a “**certified copy**” shall be construed as a reference to a copy of that document, certified by an authorised officer of the relevant Party delivering it to be a complete, accurate and up-to-date copy of the original document;
  - (G) a “**clause**” shall, subject to any contrary indication, be construed as a reference to a clause of the agreement or document in which such reference appears;
  - (H) “**continuing**” shall, in relation to any Default or Event of Default, be construed as meaning that such Default or Event of Default has not been remedied or waived;
  - (I) the “**equivalent**” on any given date in any currency (the “**first currency**”) of an amount denominated in another currency (the “**second currency**”) is a reference to the amount of the first currency which could be purchased with the amount of the second currency at the Spot Rate of Exchange quoted by the Facility Agent in the normal course of business at or about 11:00 a.m. on such date for the purchase of the first currency with the second currency in the London foreign exchange markets for delivery on the second Business Day thereafter;
  - (J) the “**group**” of any person, shall be construed as a reference to that person, its subsidiaries and any holding company of that person and all other subsidiaries of any such holding company, from time to time;
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- (K) a “**holding company**” of a company or corporation shall be construed as a reference to any company or corporation of which the first-mentioned company or corporation is a subsidiary;
- (L) “**include**” or “**including**” shall be deemed to be followed by “without limitation” or “but not limited to” whether or not they are followed by such phrase or words of like import;
- (M) a “**month**” or “**Month**” is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next succeeding calendar month save that, where any such period would otherwise end on a day which is not a Business Day, it shall end on the next succeeding Business Day, unless that day falls in the calendar month succeeding that in which it would otherwise have ended, in which case it shall end on the immediately preceding Business Day provided that, if a period starts on the last Business Day in a calendar month or if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in that later month (and references to “**months**” and “**Months**” shall be construed accordingly);
- (N) a “**person**” shall be construed as a reference to any person, trust, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;
- (O) a reference to a “**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of Law but, if not having the force of Law, being a regulation, rule, official directive, request or guideline with which a prudent person carrying on the same or a similar business to the Company would comply) of any governmental body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (P) the Borrower “**repaying**” or “**prepaying**” a Letter of Credit means:
- (i) the Borrower providing Cash Collateral for that Letter of Credit;
  - (ii) the maximum amount payable under that Letter of Credit being reduced in accordance with its terms; or
  - (iii) the LC Issuing Bank being satisfied that it has no further liability under that Letter of Credit,
- and the amount by which a Letter of Credit is repaid or prepaid under paragraphs (P)(i) and (ii) above is the amount of the relevant Cash Collateral or reduction;
- (Q) a “**right**” shall be construed as including any right, title, interest, claim, remedy, discretion, power or privilege, in each case whether actual, contingent, present or future;
- (R) a “**Schedule**” shall, subject to any contrary indication, be construed as a reference to a schedule of the agreement or document in which such reference appears;
- (S) a “**subsidiary**” of a company or corporation means a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006 which shall be construed as a reference to any company or corporation:
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- (i) which is controlled, directly or indirectly, by the first-mentioned company or corporation;
- (ii) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first-mentioned company or corporation; or
- (iii) which is a subsidiary of another subsidiary of the first-mentioned company or corporation,

and, for these purposes, 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;

(T) the “**winding-up**”, “**dissolution**” or “**administration**” of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, bankruptcy, winding-up, reorganisation, dissolution, administration, receivership, judicial custodianship, administrative receivership, arrangement, adjustment, protection or relief of debtors; and

(U) a “**year**” is a reference to a period starting on one day in a month in a calendar year and ending on the numerically corresponding day in the same month in the next succeeding calendar year, save that, where any such period would otherwise end on a day which is not a Business Day, it shall end on the next succeeding Business Day, unless that day falls in the month succeeding that in which it would otherwise have ended, in which case it shall end on the immediately preceding Business Day Provided that, if a period starts on the last Business Day in a month, that period shall end on the last Business Day in that later month (and references to “**years**” shall be construed accordingly).

### **1.3 Interpretation**

- (A) Words importing the singular shall include the plural and vice versa.
- (B) Words indicating any gender shall include each other gender.
- (C) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document to:

- (i) any party or person shall be construed so as to include its and any subsequent successors, permitted transferees and permitted assigns in accordance with their respective interests;

- (ii) such agreement or document or any other agreement or document shall be construed as a reference to each such agreement or document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated or supplemented, in each case to the extent permitted under the Finance Documents; and

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(iii) a time of day shall, save as otherwise provided in any agreement or document, be construed as a reference to London time.

(D) Section, Part, Clause and Schedule headings contained in, and any index or table of contents to, any agreement or document are for ease of reference only.

**1.4 Third Party Rights**

(A) A person who is not a party to this Agreement has no right under the Third Parties Act to enforce or enjoy the benefit of any term of this Agreement.

(B) Notwithstanding any term of any Finance Document, this Agreement may be rescinded or varied without the consent of any person who is not a Party hereto.

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**PART 2**  
**CONDITIONS PRECEDENT**

**2. CONDITIONS PRECEDENT**

**2.1 Conditions Precedent to first Utilisation**

The Company may not deliver a Utilisation Request unless the Facility Agent has received all of the documents and other evidence listed in Schedule 2 (*Conditions Precedent*) in form and substance satisfactory to the Facility Agent (acting reasonably), or their delivery has otherwise been waived. The Facility Agent (acting reasonably) shall notify the Company and the Lenders promptly upon being so satisfied.

**2.2 Conditions Precedent to each Utilisation**

The Lenders will only be obliged to comply with clause 6.5 (*Lenders' participation*) if, on the proposed Utilisation Date, disregarding for the purposes of paragraph (A) below the effect of clause 20(A) and 20(B) (*Events of Default*):

(A) in the case of a Letter of Credit renewed or extended in accordance with clause 6.8 (*Renewal or extension of a Letter of Credit*), no Event of Default is continuing or would result from the proposed Utilisation and, in the case of any other Utilisation, no Default is continuing or would result from the proposed Utilisation; and

(B) an Authorised Signatory of the Company certifies that the Repeating Representations to be made by each Obligor are, in the light of the facts and circumstances then existing, true and correct in all material respects (or, in the case of a Repeating Representation that contains a materiality concept, true and correct in all respects).

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**PART 3**  
**OPERATION OF THE FACILITY**

**3. THE FACILITY**

**3.1 Facility Commitment amounts**

- (A) Subject to the terms of the Finance Documents, the Lenders have agreed to make available to the Borrower a secured multicurrency revolving letter of credit facility on the terms and conditions set out in this Agreement (the “**Facility**”) in an aggregate amount equal to the Total Commitments.
- (B) The Facility may only be utilised by way of Letters of Credit.

**3.2 Additional Commitments**

- (A) KECI may request that the Total Commitments be increased by the provision of additional commitments under the Facility (each such increase being a “**Requested Additional Commitment**”), by providing written notice to the Facility Agent (such notice being an “**Additional Commitment Notice**”) provided that,
- (i) the Additional Commitment Notice shall be delivered prior to the expiry of the Availability Period;
- (ii) the increase in and/or, as the case may be, assumption of Requested Additional Commitments is to take effect before the expiry of the Availability Period and the maximum aggregate amount of Requested Additional Commitments (including all previous increases in and/or assumptions of Requested Additional Commitments) shall not exceed US\$50,000,000; and
- (iii) no Event of Default is continuing or would arise as a result of the provision of the Requested Additional Commitment; and
- (iv) the terms of the Requested Additional Commitment shall, for all purposes of this Agreement, be treated pursuant to the terms of this Agreement in the same manner as the existing Commitments.
- (B) Each Additional Commitment Notice shall:
- (i) confirm that the requirements of clause 3.2(A) above are fulfilled; and
- (ii) specify the date upon which the Requested Additional Commitment is anticipated to be made available to the Borrower (the “**Additional Commitment Date**”).
- (C) Upon receipt of any notice pursuant to clause 3.2(A) above, the Facility Agent shall promptly notify the Lenders of such request, and on or before the Additional Commitment Date, each Lender shall inform the Facility Agent of the amount in the Base Currency of the Requested Additional Commitment which it will make available on a committed basis (each a “**Committed Additional Participation**”). The Facility Agent shall promptly notify KECI of the details of each Committed Additional Participation.
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(D) If, on the Additional Commitment Date, the aggregate amount of the Committed Additional Participation is less than the Requested Additional Commitment, the Borrower may agree with any bank or financial institution which is not a Lender (each an “ **Additional Lender**”) that they will participate in the Facility provided that:

(i) any such Additional Lender agrees to become a Lender under this Agreement and make available a Commitment on the terms and conditions of this Agreement and the Borrower notifies the Facility Agent of the same, on or prior to the Additional Commitment Date; and

(ii) KECI shall procure that on or prior to the Additional Commitment Date, such Additional Lender delivers a Lender Accession Notice in the form set out in Schedule 1 (*The Original Lender*) duly completed and signed on behalf of the Additional Lender and specifying its Committed Additional Participation to the Facility Agent.

(E) Subject to the conditions in paragraphs (B) and (D) above being met, from the relevant Additional Commitment Date:

(i) the Additional Lender shall make available the relevant Committed Additional Participation for Utilisation under the Facility in accordance with the terms of this Agreement (as amended);

(ii) the Committed Additional Participation shall rank *pari passu* with respect to existing Commitments; and

(iii) any necessary rebalancing of the Commitments and outstandings under the Facility and the Committed Additional Participation provided by the Additional Lender to ensure that they are pro rata (the “ **New Commitment Rebalancing**”) will be made, at the Borrower’s election, by the Facility Agent making utilisations from the Committed Additional Participation in priority to utilisations from Commitments under the Facility to procure, as far as practicable, any New Commitment Rebalancing, following which all utilisations shall be made pro rata.

(F) Each Additional Lender shall become a party to the Finance Documents (and be entitled to share in the Security created under the Security Documents in accordance with the terms of the Finance Documents) if such Additional Lender accedes to the Finance Documents in accordance with the Finance Documents.

(G) Each party (other than the relevant Additional Lender) irrevocably authorises and instructs the Facility Agent to execute on its behalf any Lender Accession Notice which has been duly completed and signed on behalf of that proposed Additional Lender and each Party agrees to be bound by such accession. The Facility Agent must promptly sign any such Lender Accession Notice (and in any event within three Business Days of receipt).

(H) The Facility Agent shall only be obliged to execute a Lender Accession Notice delivered to it by an Additional Lender once the Facility Agent (and LC Issuing Bank) (acting reasonably) has, to the extent that the necessary information is not already available to it, received all required information to comply with all (i) “know your customer” requirements or (ii) other similar checks required, in each case by law, regulation or the LC Issuing Bank’s mandatory internal policy (as consistently applied) regarding environmental issues, each in relation to the accession of such Additional Lender.

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- (I) On the date that the Facility Agent executes a Lender Accession Notice:
- (i) the Additional Lender party to that Lender Accession Notice, each other Finance Party and the Obligors shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had that Additional Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of that accession and with the Commitment specified by it as its Committed Additional Participation; and
  - (ii) that Additional Lender shall become a Party to this Agreement as a “Lender”.
- (J) Clause 21.5 (*Limitation of responsibility of Existing Lenders*) shall apply *mutatis mutandis* in this clause 3.2 in relation to an Additional Lender as if references in that clause to:
- (i) an “Existing Lender” were references to all the Lenders immediately prior to the relevant increase;
  - (ii) the “New Lender” were references to that “Additional Lender”; and
  - (iii) a “re-transfer” and “re-assignment” were references to respectively a “transfer” and “assignment”.

#### **4. FINANCE PARTIES’ RIGHTS AND OBLIGATIONS**

- (A) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under any Finance Documents to which it is a Party does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (B) The rights of each Finance Party under or in connection with the Finance Documents to which it is a Party are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor shall be a separate and independent debt.
- (C) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

#### **5. PURPOSE**

##### **5.1 Purpose**

The Facility shall be used for the purpose of the issue of Letters of Credit in support of documented performance obligations (including payment obligations), except for any Trade Letters of Credit, or as otherwise agreed by the Parties.

##### **5.2 Monitoring**

No Finance Party is bound to monitor or verify the application of any Letter of Credit made pursuant to the Finance Documents.

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## **6. UTILISATION**

### **6.1 Availability Period**

Subject to the satisfaction of the relevant Conditions Precedent, the Facility shall be available for drawing during the Availability Period.

### **6.2 Delivery of a Utilisation Request for Letters of Credit**

(A) Subject to clause 6.6(K) (*Issue of Letters of Credit*), the Borrower may request a Letter of Credit to be issued by delivery to the Facility Agent of a duly completed Utilisation Request substantially in the form of Schedule 3 (*Utilisation Request*) not later than five Business Days prior to the proposed Utilisation Date. The Utilisation Request shall attach the form of the proposed Letter of Credit including confirmation as to whether such form falls within paragraph (A), (B) or (C) of the definition of “Letter of Credit” in clause 1.1 (*Definitions*).

(B) If the form of the proposed Letter of Credit requires the agreement of the LC Issuing Bank and the Facility Agent pursuant to paragraph (C) of the definition of “Letter of Credit” in clause 1.1 (*Definitions*), in the event that either the LC Issuing Bank or the Facility Agent does not approve the form, then:

(i) the objecting party shall inform the Borrower of the grounds for its objection and confirm what changes would reasonably need to be made to make the form of the Letter of Credit acceptable; and

(ii) the Utilisation Request shall be deemed to be revoked (but without the Borrower incurring any cost or liability to any Finance Party whatsoever as a consequence of such revocation).

### **6.3 Completion of a Utilisation Request for Letters of Credit**

Each Utilisation Request for a Letter of Credit is irrevocable (except where otherwise provided for in this Agreement) and will not be regarded as having been duly completed unless:

(A) the proposed Utilisation Date is a Business Day within the Availability Period;

(B) the term of the Letter of Credit requested is not more than five years;

(C) the currency and amount of the Letter of Credit requested complies with clauses 6.4 (*Amount*), 6.6 (*Issue of Letters of Credit*) and 6.7 (*Conditions relating to Optional Currencies*) respectively;

(D) the form of the Letter of Credit is in the form set out in paragraph (A) or (B) of the definition of “Letter of Credit” in clause 1.1 (*Definitions*), or is approved by the LC Issuing Bank pursuant to clause 6.2 (*Delivery of a Utilisation Request for Letters of Credit*); and

(E) the delivery instructions for the Letter of Credit are specified; and

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(F) it is accompanied by extracts of those underlying documents related to the Letter of Credit which are reasonably required and requested by the LC Issuing Bank to facilitate the negotiation and issuance of the Letter of Credit.

#### **6.4 Amount**

(A) The amount of any proposed Letter of Credit under the Facility must be a minimum of USD 250,000 (or the equivalent in any Optional Currency at the Facility Agent's Spot Rate of Exchange) (or such lower amount as agreed between the Parties acting reasonably).

(B) The maximum amount of any single Letter of Credit cannot exceed USD 75,000,000 (or the equivalent in any Optional Currency at the Facility Agent's Spot Rate of Exchange) (or such higher amount as agreed between the Parties acting reasonably).

(C) The maximum amount of all Letters of Credit issued in favour of a single beneficiary or any number of beneficiaries in a single jurisdiction cannot at any time exceed USD 75,000,000 (or the equivalent in any Optional Currency at the Facility Agent's Spot Rate of Exchange) (or such higher amount as agreed between the Parties acting reasonably).

#### **6.5 Lenders' participation**

(A) If the conditions set out in this Agreement have been met, each Lender shall make its participation in the relevant Letter of Credit available by the Utilisation Date through its Facility Office in accordance with the terms of this Agreement.

(B) The amount of a Lender's participation in that Letter of Credit will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to the making of the relevant Letter of Credit.

(C) Upon notification of a Utilisation to the Facility Agent pursuant to clause 6.2 (*Delivery of a Utilisation Request for Letters of Credit*), the Facility Agent shall notify each Lender of the Base Currency Amount of each Letter of Credit registered and the Base Currency Amount of its participation in each such Letter of Credit.

#### **6.6 Issue of Letters of Credit**

(A) If the conditions set out in this Agreement have been met, the LC Issuing Bank shall issue each Letter of Credit on the relevant Utilisation Date proposed in the Utilisation Request.

(B) The LC Issuing Bank will only be obliged to comply with paragraph (A) above if on the date of the Utilisation Request or Renewal or Extension Request and on the proposed Utilisation Date:

(i) the making of the proposed Utilisation would not result in the total outstanding Letters of Credit exceeding 40;

(ii) the making of the proposed Utilisation would not result in the aggregate of all outstanding Letters of Credit issued by the LC Issuing Banks exceeding the Total Commitments;

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(iii) the LC Issuing Bank and the Lenders have completed all applicable (i) know-your-customer requirements and (ii) compliance requirements, in each case as required by law, regulation or the LC Issuing Bank's mandatory internal policy (as consistently applied) regarding environmental issues, each in relation to the Beneficiary of the Letter of Credit.

(C) Subject to clause 6.14(B) (*Cash collateralisation*), the Borrower may request a Utilisation which requires a Letter of Credit to be issued by the LC Issuing Bank which has a term greater than the Availability Period under the Facility.

(D) The Borrower may request a Utilisation which requires a Letter of Credit to be issued by the LC Issuing Bank's Facility Office (or branch) in any particular country, and the LC Issuing Bank shall, unless prevented from doing so by mandatory internal policy requirements (as applied consistently) or by applicable law or regulation, satisfy any such request. For the avoidance of doubt, this clause 6.6(D) shall not apply to any Letter of Credit required to be issued by the LC Issuing Bank's London branch.

(E) If the Borrower requests a Utilisation which requires a Letter of Credit:

(i) to be issued by a financial institution in a country in which the LC Issuing Bank does not have a facility office (or branch); or

(ii) where clause 6.6(D) applies;

the LC Issuing Bank will use its best efforts, subject to the Borrower's prior written consent, to procure that such Letter of Credit is issued through a correspondent bank. In the event that the LC Issuing Bank is requested to issue any Letter of Credit through a correspondent bank then it shall promptly, and in any event within 15 Business Days of the date of any Utilisation Request, advise the Borrower of any reasonable additional and documented costs associated with the issue of the Letter of Credit by its correspondent bank (and the LC Issuing Bank shall provide the Borrower with copies of any agreement and any documentation providing for and evidencing the payment of such costs). For the avoidance of doubt the 15 Business Days during which the LC Issuing Bank is required to advise the Borrower of reasonable additional and documented costs shall have no impact or effect on the Utilisation Date. The LC Issuing Bank shall take all reasonable steps to minimise any such additional costs. In no event may the LC Issuing Bank increase the Margin or Letter of Credit Fee payable by the Borrower hereunder or charge any additional amount for its own account as a consequence of the issue of a Letter of Credit through a correspondent bank which it would not otherwise have been able to charge had the Letter of Credit been issued by it under this Agreement. Any additional costs properly incurred and payable to the correspondent bank by the LC Issuing Bank in respect of the issue of the Letter of Credit shall be borne by the Borrower. If the Borrower does not agree to the payment of such costs and/or the identity of the correspondent bank, it may revoke the Utilisation Request (without incurring any cost or liability to any Finance Party whatsoever for so doing).

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(F) The Borrower may request that a Letter of Credit is issued in the Base Currency or, subject to clause 6.7 ( *Conditions relating to Optional Currencies*), in an Optional Currency.

(G) For the avoidance of doubt, the Borrower may request that a Letter of Credit is issued on behalf of any member of the Group (and the LC Issuing Bank shall comply with any such request).

(H) The Borrower may request that a Letter of Credit is issued which is governed by the governing law of any jurisdiction (and the LC Issuing Bank shall comply with any such request). Where a Letter of Credit is to be governed by law which is not the law of England, the Borrower shall, if so requested by the LC Issuing Bank, pay the reasonable legal costs of the LC Issuing Bank incurred in relation to instructing external advisers to provide it and the Finance Parties with such advice as may reasonably be required in relation to that Letter of Credit.

(I) In the event that the rating of the LC Issuing Bank's long-term unguaranteed, unsecured securities or debt falls below A3 (Moody's) or falls below a comparable rating from any other internationally recognised credit rating agency, then in any such case the LC Issuing Bank shall, without imposing any cost or penalty of any kind (arising under this Agreement or otherwise), at the direction of the Borrower novate any Letter of Credit identified by the Borrower to a person willing to accept the rights and obligations thereunder, subject to:

(i) the Borrower obtaining the prior consent and cooperation of the relevant Beneficiary in relation to the novation of the Letter of Credit; and;

(ii) the LC Issuing Bank completing all (i) know-your-customer requirements and (ii) compliance requirements which are, in each case required by law or regulation, each in relation to such person.

In both cases the LC Issuing Bank will, at the Borrower's cost, cooperate with the Borrower and sign such documents as may be necessary to effect the relevant transaction provided the LC Issuing Bank is satisfied that such documents release it from all obligations under the relevant Letter of Credit. The LC Issuing Bank shall have no obligation to procure a person willing to issue replacement Letters of Credit or have Letters of Credit novated to it.

(J) The Facility Agent shall notify the LC Issuing Bank and each Lender of the details of each requested Letter of Credit and its participation in that Letter of Credit within five Business Days.

(K) If the Borrower requests a Utilisation which requires a Letter of Credit to be issued in accordance with clauses 6.6 (D), (E) or (H) above, the LC Issuing Bank shall not be required to issue such Letter of Credit or procure that such Letter of Credit is issued unless the Borrower provides 10 Business Days' advance notice of such request.

## **6.7 Conditions relating to Optional Currencies**

The Borrower shall select the currency of a Letter of Credit in the relevant Utilisation Request or Renewal or Extension Request. A Letter of Credit may be issued in the Base Currency or any currency which is freely convertible into the Base Currency and

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approved by the LC Issuing Bank acting reasonably (such currency being an “**Optional Currency**”). In the event that such currency is not approved by the LC Issuing Bank, the LC Issuing Bank shall notify the Facility Agent and the Borrower in writing not less than three Business Days prior to the proposed Utilisation Date, and the relevant Utilisation Request shall be deemed to be revoked upon the delivery of such notice (without the Borrower incurring any cost or liability to any Finance Party whatsoever).

#### **6.8 Renewal or extension of a Letter of Credit**

- (A) The Borrower may request any Letter of Credit issued under this Agreement be renewed or extended by delivery to the Facility Agent of a renewal or extension request in the form set out in Schedule 9 (*Form of Renewal or Extension Request*) by the fifth Business Day before the date of the proposed renewal (a “**Renewal or Extension Request**”).
- (B) The Lenders shall treat any Renewal or Extension Request in the same way as a Utilisation Request for a Letter of Credit.
- (C) The terms of each renewed or extended Letter of Credit shall be the same as those of the relevant Letter of Credit immediately prior to its renewal or extension, except that:
- (i) its amount may be less than the amount of the Letter of Credit;
  - (ii) (in relation to a renewal only) its Term shall start on the date which was the expiry date of the Letter of Credit immediately prior to its renewal and shall end on the proposed expiry date specified in the Renewal or Extension Request; and
  - (iii) (in relation to an extension only) its Term shall start on the date which was the start date of the Letter of Credit immediately prior to its extension, and shall end on the proposed expiry date specified in the Renewal or Extension Request.
- (D) If the conditions set out in this Agreement have been met, the LC Issuing Bank shall re-issue and/or amend any Letter of Credit pursuant to a Renewal or Extension Request.

#### **6.9 Claims under a Letter of Credit**

- (A) The Borrower irrevocably and unconditionally authorises the LC Issuing Bank to pay any claim made or purported to be made under a Letter of Credit and which appears on its face to be in order (a “**Claim**”).
- (B) Subject to paragraph (C) below, the Borrower shall within five Business Days on written demand by the Facility Agent pay to the LC Issuing Bank for the account of each Lender an amount equal to the amount of any Claim. The Borrower irrevocably authorises the use by the Facility Agent, the Security Agent and the Account Bank, of amounts standing to the credit of the LC Cash Collateral Accounts in making such payment and each of the Facility Agent and the Security Agent shall take all such steps (and procure that the Account Bank takes all such steps) as may reasonably be required (at the cost of the Borrower) for the Borrower to make such payment.
- (C) The Borrower acknowledges that the LC Issuing Bank:
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- (i) is not obliged to carry out any investigation or seek any confirmation from any other person before paying a Claim; and
  - (ii) deals in documents only and will not be concerned with the legality of a Claim or any underlying transaction or any available set-off, counterclaim or other defence of any person.
- (D) The obligations of the Borrower under this clause will not be affected by:
- (i) the sufficiency, accuracy or genuineness of any Claim or any other document; or
  - (ii) any incapacity of, or limitation on the powers of, any person signing a Claim or other document.

**6.10 Indemnities**

- (A) Subject to clause 6.9 (*Claims under a Letter of Credit*), the Borrower shall immediately on demand indemnify the LC Issuing Bank against any cost, loss or liability incurred by such LC Issuing Bank in acting as LC Issuing Bank hereunder (otherwise than by reason of such LC Issuing Bank's gross negligence or wilful misconduct).
  - (B) Each Lender shall (according to its portion of the Available Facility), immediately on demand by the Facility Agent (acting on the instructions of the LC Issuing Bank), indemnify the LC Issuing Bank against any cost, loss or liability incurred by the LC Issuing Bank (otherwise than by reason of such LC Issuing Bank's gross negligence or wilful misconduct) in acting as such LC Issuing Bank under any Letter of Credit (unless that LC Issuing Bank has been reimbursed by the Borrower pursuant to a Finance Document).
  - (C) Subject to clause 6.9 (*Claims under a Letter of Credit*), the Borrower shall immediately on demand reimburse any Lender for any payment it makes to the LC Issuing Bank under this clause 6.10 (*Indemnities*).
  - (D) The obligations of each Lender and the Borrower under this clause are continuing obligations and will extend to the ultimate balance of sums payable by that Lender or, as the case may be, the Borrower in respect of any Letter of Credit, regardless of any intermediate payment or discharge in whole or in part.
  - (E) The obligations of a Lender or a Borrower under this clause will not be affected by any act, omission, matter or thing which, but for this clause, would reduce, release or prejudice any of its obligations under this clause (without limitation and whether or not known to it or any other person) including:
    - (i) any time, waiver or consent granted to, or composition with, any Obligor, any beneficiary under a Letter of Credit or any other person;
    - (ii) the release of any other Obligor or any other person under the terms of any composition or arrangement;
    - (iii) 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, any
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beneficiary under a Letter of Credit 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;

(iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor, any beneficiary under a Letter of Credit or any other person;

(v) any amendment (however fundamental) or replacement of a Finance Document, any Letter of Credit or any other document or security;

(vi) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document, any Letter of Credit or any other document or security; or

(vii) any insolvency or similar proceedings.

#### **6.11 Role of the LC Issuing Bank**

(A) Nothing in this Agreement designates the LC Issuing Bank as a trustee or fiduciary of any other person.

(B) The LC Issuing Bank shall not be bound to account to any Lender for any sum, or the profit element of any sum received by it for its own account.

(C) The LC Issuing Bank may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

(D) The LC Issuing Bank may rely on:

(i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and

(ii) any statement made by a director, Authorised Signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.

(E) The LC Issuing Bank may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.

(F) The LC Issuing Bank may act in relation to the Finance Documents through its personnel and agents.

(G) The LC Issuing Bank is not responsible for:

(i) the adequacy, accuracy and/or completeness of any information (whether oral or written) provided by any Party (including itself), or any other person under or in connection with any Finance Document, 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

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(ii) the legality, validity, effectiveness, adequacy or enforceability of 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.

#### **6.12 Credit appraisal by the Lenders**

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the LC Issuing Bank 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, those listed in paragraphs (A) to (D) of clause 23.14 (*Credit appraisal by the Lenders*).

#### **6.13 Amendments and Waivers**

Notwithstanding any other provision of any Finance Document, an amendment or waiver which relates to the rights or obligations of the LC Issuing Bank may not be effected without the consent of the LC Issuing Bank.

#### **6.14 Cash collateralisation**

(A) The Borrower shall deposit and maintain Cash Collateral in the LC Cash Collateral Accounts which is in aggregate at least equal to 75 per cent. of the aggregate USD face value of all outstanding Letters of Credit issued under the Facility at any time.

(B) If any Letter of Credit has an expiry date which is after the Termination Date (an “**Ongoing Letter of Credit**”) and if the Facility has not been extended or otherwise replaced, then during the period between the Termination Date and the expiry date of any Ongoing Letter of Credit, the Borrower shall, for each such Ongoing Letter of Credit, deposit and maintain Cash Collateral in the LC Cash Collateral Accounts which is at least equal to 100 per cent. of the USD face value of each Ongoing Letter of Credit. For the avoidance of doubt, this obligation shall survive the occurrence of the Termination Date.

(C) Within five Business Days after a breach of any of the Financial Covenants in clause 18 (*Financial Covenants*) the Borrower shall, until such breach is no longer continuing, deposit and maintain Cash Collateral in the LC Cash Collateral Accounts at least equal to 100 per cent. of the aggregate USD face value of all current outstanding Letters of Credit drawn under the Facility.

(D) The LC Issuing Bank shall (i) every six months from the date of this Agreement, (ii) following notification from the LC Issuing Bank of a significant currency disruption event, or (iii) at the reasonable request of the Lenders (and to the extent that such day is not a Business Day, on the immediately following Business Day), the LC Issuing Bank shall determine and inform the Borrower within five Business Days of the USD face value of the Cash Collateral in the LC Cash Collateral Accounts and the USD face value of each current outstanding Letter of Credit (the “**Forex Calculation**”), such amount to be least equal to 75 per cent. of the aggregate USD face value of such current outstanding Letter of Credit issued under the Facility based on the Facility Agent’s Spot Rate of Exchange on the Business Day on which the Forex Calculation is made.

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(E) If at any time there is insufficient Cash Collateral standing to the credit of the LC Cash Collateral Accounts pursuant to either clause 6.14(A), 6.14(B), 6.14(C), 6.14(D) or clause 8.2(A)(iii) (*Change of Control*), the Borrower shall be required to deposit and maintain the required additional Cash Collateral in the LC Cash Collateral Accounts within five Business Days of being notified in writing by the Facility Agent of such insufficiency.

(F) The Borrower may at any time instruct the Facility Agent to instruct the Security Agent and the Account Bank to release any Cash Collateral standing to the credit of the LC Cash Collateral Accounts (subject to the terms of the Deposit Agreements) which is not then required to be maintained in that account in accordance with the terms of this Agreement (such amount as calculated and confirmed by the Facility Agent in each case) (including, if necessary, by releasing any security held over such amount) and for such amount to be paid to the Borrower or as the Borrower shall instruct (and the Facility Agent and the Security Agent shall comply and shall procure that the Account Bank complies with such instructions). For the avoidance of doubt, where the Borrower has deposited an amount into the LC Cash Collateral Accounts to cure or to prevent an Event of Default from occurring or continuing pursuant to clause 20.3 (*Breach of Financial Covenants*), then on and from the date upon which such Event of Default has been (and remains) cured or waived the Borrower shall be entitled to withdraw any excess amount above the amount which would otherwise be required to be deposited into the LC Cash Collateral Accounts pursuant to clause 6.14(A).

#### **6.15 Transfer of existing Letters of Credit**

Upon request by the Borrower, the LC Issuing Bank and the Facility Agent will consult with the Borrower with a view to procuring that any letters of credit issued by any member of the Group prior to the date of this Agreement (“**Pre-existing Letters of Credit**”) become letters of credit issued under and subject to the terms and conditions of this Agreement. Each such party shall act in good faith and shall use all reasonable endeavours and enter into such documentation as may reasonably be required to give effect to this clause. If any such existing letter of credit was issued by the LC Issuing Bank, then the form of such Letter of Credit shall be deemed to be acceptable to both the LC Issuing Bank and the Facility Agent.

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**PART 4**  
**PAYMENTS, CANCELLATION, INTEREST AND FEES**

**7. REPAYMENT**

Subject to clause 6.9 (*Claims under a Letter of Credit*), if a Claim is made under a Letter of Credit, the Borrower shall repay an amount equal to the Claim within five Business Days of written demand by the LC Issuing Bank.

**8. PREPAYMENT AND CANCELLATION**

**8.1 Illegality**

(A) If it becomes unlawful in any applicable jurisdiction for a Lender (an “**Illegality Lender**”) to perform any of its obligations as contemplated by the Finance Documents or to fund or maintain its participation in any Utilisation:

- (i) that Lender shall promptly notify the Facility Agent upon becoming aware of that event;
- (ii) the Borrower shall to the extent possible and at the sole discretion of the Borrower, implement arrangements whereby all of the Illegality Lender’s Commitment is transferred to a Lender or a New Lender and the affected Illegality Lender will provide all reasonable assistance to facilitate such transfer; and
- (iii) where the process described at paragraph (ii) above is not possible, the Commitment of that Lender will be immediately cancelled and the Borrower shall repay the Illegality Lender’s participations in the Utilisations made to the Borrower on the date specified by the Illegality Lender in the notice delivered to the Facility Agent.

(B) If it becomes unlawful in any applicable jurisdiction for the Borrower to perform any of its obligations as contemplated by the Finance Documents:

- (i) the Borrower shall promptly notify the Facility Agent upon becoming aware of that event;
- (ii) the Facility Agent shall notify the Lenders; and
- (iii) with all reasonable assistance of the Lenders the Borrower shall endeavour to cancel all outstanding Letters of Credit within 90 days of the notice provided under clause 8.1(B)(i) (*Illegality*).

**8.2 Change of Control**

(A) Upon a Change of Control:

- (i) the Obligor shall promptly notify the Facility Agent upon becoming aware of the occurrence of that event; and
  - (ii) the LC Issuing Bank shall not be obliged to issue any Letter of Credit except pursuant to a Renewal or Extension Request;
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(iii) if the Majority Lenders so require, the Borrower shall, as soon as practicable (and in any event within 30 Business Days) deposit and maintain in the LC Cash Collateral Accounts an amount equal to the aggregate face value of all outstanding Letters of Credit at that time .

(B) For the purpose of paragraph (A) above, “**Change of Control**” means any person (or persons with whom they act in concert) other than a Permitted Transferee acquiring, directly or indirectly, more than 50 per cent. of the ordinary share capital in the Obligor carrying a right to vote in general meetings of that company. For the avoidance of doubt, a Change of Control shall not occur on an IPO of any shareholder (directly or indirectly) in the Borrower.

(C) For the purposes of paragraph (B) above, any persons includes more than one person acting in concert and a “ **Permitted Transferee**” means:

(i) a Shareholder;

(ii) a Shareholder Affiliate;

(iii) a member of the Group; or

(iv) a person who is otherwise approved by the Majority Lenders (acting reasonably) provided that any Lender which does not grant its approval may, on not less than 30 days’ written notice to the Facility Agent and the Company, demand that its participation in the Facility be prepaid in full and that its Commitment be immediately cancelled, provided that the Company may, in accordance with paragraph (B) of clause 8.5 (*Right of repayment and cancellation in relation to a single Lender*), procure the replacement of that Lender or the transfer of its participation and Commitment to another Lender (with that Lender’s consent) rather than such prepayment and cancellation provided that such replacement or transfer is completed within the relevant notice period given by the relevant Lender. If such replacement or transfer does not occur within the relevant period, that Lender’s participation in the Facility shall be immediately due and payable in full by the Borrower and its Commitment immediately cancelled.

### **8.3 Automatic cancellation**

At the close of business in London on the last Business Day of the Availability Period for the Facility, the undrawn Commitment of each Lender under the Facility at that time shall be automatically cancelled.

### **8.4 Voluntary cancellation**

(A) The Company may, by giving not less than 10 Business Days’ (or such shorter period as the Majority Lenders may agree) prior written notice to the Facility Agent, without penalty, cancel the Available Facility in whole or in part (but if in part, in a minimum amount of USD 1 million or, if less, the relevant Commitments in the Available Facility). The relevant Commitments in respect of the Facility will be cancelled on a date specified in such notice, being a date not earlier than 10 Business Days after the relevant notice is received by the Facility Agent.

(B) Any valid notice of cancellation will be irrevocable and will specify the date on which the cancellation shall take effect. No part of any Commitment which has been cancelled or which is the subject of a notice of cancellation may subsequently be utilised.

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(C) When any cancellation of Commitments under the Facility takes effect, each Lender's Available Commitment under the Facility will be reduced by an amount which bears the same proportion to the total amount being cancelled as its Available Commitment under the Facility bears to the Available Facility (at that time).

#### **8.5 Right of repayment and cancellation in relation to a single Lender**

(A) If:

- (i) the Company reasonably believes that the sum payable to any Lender by an Obligor is required to be increased under clause 11.2 (*Tax gross-up*);
- (ii) the Company receives a notice from the Facility Agent under clause 11.3 (*Tax Indemnity*) or clause 12.1 (*Increased costs*);
- (iii) any Lender is or becomes a Non-Funding Lender;
- (iv) the rating of any Lender's long-term unguaranteed, unsecured securities or debt is reduced to below A3 (Moody's) or a comparable rating from an internationally recognised credit rating agency,

the Company may, while (in the case of paragraphs (i) and (ii) above) the circumstance giving rise to the belief or notice continues or (in the case of (iii) or (iv) above) the relevant circumstance continues:

- (a) give the Facility Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Utilisations;
- (b) in the case of a Non-Funding Lender or Illegality Lender, give the Facility Agent notice of cancellation of the Available Commitment of that Lender in relation to the Facility and reinstate all or part of such Available Commitment in accordance with paragraph (B) below; or
- (c) replace that Lender in accordance with paragraph (B) below.

(B) The Company may:

- (i) in the circumstances set out in paragraph (A) above or pursuant to clause 8.1 (*Illegality*) or clause 8.2(A)(ii) (*Change of Control*), replace an Existing Lender (as defined in clause 21 (*Changes to the Lenders*)), with one or more other Lenders (which need not be Existing Lenders) (each a "**Replacement Lender**"), which have agreed to purchase all or part of the Commitment and participations of that Existing Lender in Utilisations made to the Borrower pursuant to an assignment or transfer in accordance with the provisions of clause 21 (*Changes to the Lenders*); or
  - (ii) in the circumstances set out in paragraph (A)(iv)(a) of this clause 8.5, cancel the Available Commitments of the Non-Funding Lender or Illegality Lender in respect of the Facility and procure that one or more Replacement Lenders assume Commitments under the Facility in
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an aggregate amount not exceeding the Available Commitment of the relevant Non-Funding Lender or Illegality Lender in relation to the Facility,

in each case on condition that:

(a) each assignment or transfer under this paragraph (B) shall be arranged by the Company (with such reasonable assistance from the Existing Lender as the Company may reasonably request); and

(b) no Existing Lender shall be obliged to make any assignment or transfer pursuant to this paragraph (B) unless and until it has received payment from the Replacement Lender or Replacement Lenders in an aggregate amount equal to the outstanding principal amount of the participations in the Utilisations owing to the Existing Lender, together with accrued and unpaid interest and fees and all other amounts payable to the Existing Lender under this Agreement.

(C) On receipt of a notice from the Company referred to in paragraph (A) above, the Commitment of that Lender shall immediately be reduced to zero.

(D) Within 90 days of the Company having given notice of cancellation under paragraph (A) above (or, if earlier, the date specified by the Company in that notice), the Company shall repay that Lender's participation in the relevant Utilisation.

(E) Paragraphs (A) and (B) do not in any way limit the obligations of any Finance Party under clause 14.1 (*Mitigation*).

## **9. INTEREST**

### **9.1 Default interest**

(A) Other than Cash Collateral, if an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (B) below, is 1 per cent. higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Letter of Credit in the currency of the overdue amount issued for a period equal to the period during which the overdue amount remains outstanding. Any interest accruing under this clause shall be immediately payable by the Obligor on written demand by the Facility Agent.

(B) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each 90-day period but will remain immediately due and payable.

## **10. FEES**

### **10.1 Letter of Credit fee**

(A) The Borrower shall pay to the LC Issuing Bank, for the account of the Lenders to share rateably in accordance with their participation in each Letter of Credit, a letter of credit fee at a

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rate equal to the Margin (the “**Letter of Credit Rate**”) on the outstanding amount of each Letter of Credit from the period starting from the Utilisation Date in respect of that Letter of Credit until its expiry date or such earlier date upon which it is terminated (the “**Letter of Credit Fee**”).

(B) The Letter of Credit Fee shall continue to be payable on the full outstanding balance of each Letter of Credit. The outstanding balance shall not be reduced by any amount of Cash Collateral deposited in the LC Cash Collateral Accounts.

(C) The accrued Letter of Credit Fee on each Letter of Credit is payable quarterly in arrears and on the expiry date or such earlier termination date of each Letter of Credit.

#### **10.2 Arrangement fee**

The Borrower shall pay to the Facility Agent (for its own account) an arrangement fee in the amount and at the time agreed in the Fee Letter.

#### **10.3 Security Agent and Facility Agent fee**

If the Original Lender ceases to be the sole Lender under the Facility, the Parties shall, acting reasonably, agree fees payable to the Security Agent and the Facility Agent (the “**Security Agent Fee**” and the “**Facility Agent Fee**” respectively). The Borrower shall pay to the Security Agent and the Facility Agent the Security Agent Fee and the Facility Agent Fee in the amount and at the times agreed in a Fee Letter.

#### **10.4 LC Issuing Bank fee**

Where the Original Lender ceases to be the sole lender under the Facility the Parties shall, acting reasonably, agree the LC Issuing Bank fee. The Borrower shall pay to the LC Issuing Bank the LC Issuing Bank fee in the amount and at the times agreed in a Fee Letter.

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**PART 5**  
**TAXES, INCREASED COSTS AND INDEMNITIES**

**11. TAX GROSS-UP AND INDEMNITIES**

**11.1 Definitions**

(A) In this Agreement:

“**Tax Credit**” means a credit against, relief or remission for, or repayment of any Tax.

“**Tax Deduction**” means a deduction or withholding for or on account of Tax from a payment under a Finance Document.

“**Tax Payment**” means either the increase in a payment made by an Obligor to a Finance Party under clause 11.2 (*Tax gross-up*) or a payment under clause 11.3 (*Tax Indemnity*).

**11.2 Tax gross-up**

(A) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.

(B) The Company shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Facility Agent accordingly.

(C) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

(D) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(E) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Facility Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party (acting reasonably) that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing Authority.

(F) If an Obligor makes any payment to a Finance Party in respect of or relating to a Tax Deduction, but such Obligor was not obliged to make such payment, the relevant Finance Party shall within five Business Days of demand refund such payment to such Obligor.

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### 11.3 Tax Indemnity

(A) Except as provided below, the Borrower shall (within five Business Days of demand by the Facility Agent) indemnify a Finance Party against any loss, liability or cost which that Finance Party determines will be or has been (directly or indirectly) suffered by that Finance Party for or on account of Tax, by that Finance Party in respect of a Finance Document.

(B) Paragraph (A) above shall not apply:

(i) with respect to any Tax assessed on a Finance Party under the law of the jurisdiction in which:

(a) that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for Tax purposes; or

(b) that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if in either such case that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party or that Finance Party's Facility Office; or

(ii) to the extent a loss, liability or cost is compensated for by an increased payment under clause 11.2 (*Tax gross-up*); or

(iii) with respect to any Tax assessed prior to the date which is 180 days prior to the date on which the relevant Finance Party requests such a payment from the Borrower, unless a determination of the amount claimed could only be made on or after the first of those dates.

(C) A Finance Party making, or intending to make a claim under paragraph (A) above shall promptly notify the Facility Agent of the event which will give, or has given, rise to the claim, following which the Facility Agent shall provide to the Company a copy of the notification by such Finance Party.

(D) A Finance Party shall, on receiving a payment from an Obligor under this clause, notify the Facility Agent. The Finance Parties will undertake to use reasonable endeavours to obtain reliefs and remissions for taxes and deductions and to reimburse the Company for reliefs, remissions or credits obtained (but without any obligation to arrange its Tax affairs other than as it sees fit nor to disclose any information about its Tax affairs).

### 11.4 Tax Credit

(A) If:

(i) an Obligor makes a Tax Payment, and

(ii) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part, or to that Tax Payment, and

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(iii) that Finance Party has obtained, utilised and retained that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party reasonably determines will leave it (after that payment) in the same after-Tax position as it would have been in but for its utilisation of the Tax Credit.

(B) Nothing in this clause will:

(i) interfere with the rights of any Finance Party to arrange its affairs in whatever manner it thinks fit; or

(ii) oblige any Finance Party to disclose any information relating to its Tax affairs or computations.

#### **11.5 Stamp taxes**

The Company shall, within five Business Days of demand, pay and indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document other than in respect of an assignment or transfer by a Lender.

#### **11.6 Value added tax**

(A) All consideration expressed to be payable under a Finance Document by any Party to a Finance Party shall be deemed to be exclusive of any VAT. If VAT is chargeable on any supply made by any Finance Party to any Party in connection with a Finance Document, that Party shall pay to the Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the VAT against delivery of an appropriate VAT invoice.

(B) Where a Finance Document requires any Party to reimburse a Finance Party for any costs or expenses, that obligation shall be deemed to extend to all VAT incurred by the Finance Party in respect of the costs or expenses to the extent that the Finance Party reasonably determines that neither the Finance Party nor any other member of any VAT group of which it is a member is entitled to credit or repayment of the VAT.

### **12. INCREASED COSTS**

#### **12.1 Increased costs**

(A) Subject to clause 12.3 (*Exceptions*) the Borrower shall, within five Business Days of a demand by the Facility Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of the introduction of or any change in (or in the interpretation, administration or application by any governmental body or regulatory Authority of) any law or regulation (whether or not having the force of law, but if not, being of a type with which that Finance Party or Affiliate is expected or required to comply), or as a result of the implementation or application of, or compliance with, Basel III or any law or regulation that implements or applies Basel III.

(B) In this Agreement “**Increased Costs**” means:

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- (i) a reduction in the rate of return from the Facility or on a Finance Party's (or its Affiliate's) overall capital;
- (ii) an additional or increased cost; or
- (iii) a reduction of any amount due and payable under any Finance Document,

which is (a) material and (b) incurred or suffered by a Finance Party or any of its Affiliates but only to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document.

## **12.2 Increased cost claims**

(A) A Finance Party intending to make a claim pursuant to clause 12.1 (*Increased costs*) shall notify the Facility Agent of the event giving rise to the claim, following which the Facility Agent shall promptly notify the Company.

(B) Each Finance Party shall provide a certificate confirming the amount of its Increased Costs.

## **12.3 Exceptions**

(A) Clause 12.1 (*Increased costs*) does not apply to the extent any Increased Cost is:

- (i) attributable to a Tax Deduction required by law to be made by an Obligor provided that this clause is without prejudice to any rights which the affected Lender may have under clause 11.2 (*Tax gross-up*) to receive a grossed up payment;
- (ii) the subject of a claim under clause 11.3 (*Tax Indemnity*) (or might be or have been the subject of a claim under clause 11.3 (*Tax Indemnity*) but for any of the exclusions in paragraph (B) of clause 11.3 (*Tax Indemnity*));
- (iii) incurred prior to the date which is 180 days prior to the date on which the Finance Party makes a claim in accordance with clause 12.2 (*Increased cost claims*), unless a determination of the amount incurred could only be made on or after the first of those dates;
- (iv) attributable to the wilful breach by the relevant Finance Party or any of its Affiliates of any law or regulation; or
- (v) attributable to the implementation or application of or compliance with the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (but excluding any amendment contained in Basel III) ("**Basel II**") or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).

(B) In this clause 12.3 (*Exceptions*), a reference to a "**Tax Deduction**" has the same meaning given to the term in clause 11.1 (*Definitions*).

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## **13. OTHER INDEMNITIES**

### **13.1 Currency indemnity**

(A) If any sum due from an Obligor under the Finance Documents (a “**Sum**”), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the “**First Currency**”) in which that Sum is payable into another currency (the “**Second Currency**”) for the purpose of:

- (i) making or filing a claim or proof against that Obligor; or
- (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall as an independent obligation, within five Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (a) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (b) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(B) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

### **13.2 Other indemnities**

Each Obligor shall, within five Business Days of demand, indemnify each Finance Party against any cost, loss or liability incurred by that Finance Party as a result of:

- (A) the occurrence of any Event of Default;
- (B) a failure by an Obligor to pay any amount due under a Finance Document on its due date.

### **13.3 Indemnity to the Facility Agent**

Each Obligor shall promptly on demand, indemnify the Facility Agent against any cost, loss or liability incurred by the Facility Agent (acting reasonably) as a direct result of:

- (A) investigating any event which it reasonably believes is a Default; and
  - (B) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised by an Obligor.
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## **14. MITIGATION BY THE LENDERS**

### **14.1 Mitigation**

(A) Each Finance Party shall, in consultation with the Company, use all reasonable endeavours to mitigate or remove any circumstances which arise and which would result in any facility ceasing to be available or any amount becoming payable under or pursuant to, or cancelled pursuant to, any of clause 8.1 (*Illegality*), clause 11.2 (*Tax gross-up*) or clause 12.1 (*Increased costs*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.

(B) Paragraph (A) above does not in any way limit the obligations of any Obligor under the Finance Documents.

(C) Each Finance Party shall notify the Facility Agent as soon as it becomes aware that any circumstances of the kind described in paragraph (A) above have arisen or may arise. The Facility Agent shall notify the Company promptly of any such notification from a Finance Party.

### **14.2 Limitation of liability**

(A) Each Obligor shall promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under clause 14.1 (*Mitigation*).

(B) A Finance Party is not obliged to take any steps under clause 14.1 (*Mitigation*) if, in the *bona fide* opinion of that Finance Party (acting reasonably), to do so might in any way be prejudicial to it.

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**PART 6**  
**FINANCIAL INFORMATION**

**15. INFORMATION UNDERTAKINGS**

The undertakings in this clause remain in force from the date of this Agreement until the Discharge Date.

**15.1 Books of account and auditors**

Each Obligor shall:

- (A) keep proper books of account relating to its business; and
- (B) appoint and maintain as its auditors any Approved Auditor.

**15.2 Financial statements**

(A) The Borrower shall supply to the Facility Agent (in sufficient copies as most recently notified by the Facility Agent as being sufficient to allow one copy for each Lender):

(i) as soon as they become available, but in any event within 180 days of the end of each financial year, the audited financial statements of the Original Guarantor for that financial year, and within 90 days of the end of each financial year, the annual management reports of the Borrower; and

(ii) within 90 days of the end of each quarter, the unaudited quarterly consolidated financial statements of the Original Guarantor for that period.

(B) If during any financial year of the Original Guarantor there is a material change in the nature and extent of the accounting transactions which the Original Guarantor enters into, the Borrower shall promptly inform the Facility Agent thereof and the Borrower shall, if instructed to do so by the Facility Agent (acting on the instructions of the Majority Lenders (acting reasonably)), supply to the Facility Agent (in sufficient copies for each Lender), as soon as they become available, but in any event within 180 days of request, the audited financial statements of the Original Guarantor for its last financial year.

**15.3 Year-end**

The Borrower shall not change its financial year-end from the Accounting Reference Date without the consent of the Majority Lenders.

**15.4 Form of financial statements**

(A) The Borrower must ensure that each set of financial statements supplied under this Agreement:

- (i) is certified by an Authorised Signatory of the Borrower as a true and correct copy; and
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(ii) gives (if audited) a true and fair view of, or (if unaudited) fairly represents, the financial condition of the relevant Borrower for the period to the date on which those financial statements were drawn up.

(B) Unless otherwise agreed with the Facility Agent, all financial statements delivered under this Agreement shall be prepared in accordance with the Approved Accounting Principles.

(C) The Borrower must notify the Facility Agent of any material change to the manner in which any audited or unaudited financial statements delivered under this Agreement are prepared.

(D) If requested by the Facility Agent, the Borrower must supply to the Facility Agent:

(i) a full description of any change notified under paragraph (B) above and the adjustments which would be required to be made to those financial statements in order to cause them to use the accounting policies, practices, procedures and reference period upon which such financial statements were prepared prior to such change; and

(ii) sufficient information, in such detail and format as may be required by the Facility Agent (acting reasonably), to enable the Lenders to make a proper comparison between the financial position shown by the set of financial statements prepared on the changed basis and its most recent audited or unaudited financial statements delivered to the Facility Agent under this Agreement prior to such change.

#### **15.5 Compliance Certificate**

(A) The Borrower must supply to the Facility Agent a Compliance Certificate with each set of financial statements sent to the Facility Agent under clause 15.2 (*Financial statements*), above certifying the matters specified in clause 15.4(A) (*Form of financial statements*) above and compliance with the financial covenants in clauses 18.1 (*Debt cover ratio*) and 18.2 (*Interest cover ratio*) below.

(B) A Compliance Certificate supplied in accordance with paragraph (A) above must be signed by two Authorised Signatories of the Borrower.

#### **15.6 Information: miscellaneous**

Each Obligor shall supply to the Facility Agent, in sufficient copies for all the Lenders, if the Facility Agent so requests:

(A) all documents dispatched by each Obligor to its Shareholders (or any class of them) or its creditors generally, at the same time as they are dispatched;

(B) promptly after becoming aware of them, the details of any material litigation, arbitration or administrative proceedings which are currently threatened or pending against the Guarantor or any member of the Group;

(C) promptly upon them being becoming available, (i) each annual work program and each budget to be delivered to any governmental ministry or analogous governmental body, in

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connection with any underlying licence which a Letter of Credit has been granted in relation to and (ii) any other analogous document or information as reasonably required by the LC Issuing Bank for any Letters of Credit issued for any purpose which is not related to exploration licences.

(D) promptly, such further information regarding the financial condition, assets, business and operations of the Guarantor or any member of the Group as the Facility Agent may reasonably request.

#### **15.7 Notification of Default**

Each Obligor must notify the Facility Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

#### **15.8 “Know your customer” and “customer due diligence” requirements**

(A) If:

(i) the introduction of or any change in (or in the interpretation, administration or application by any government or regulatory Authority of) any law or regulation (having the force of law) made after the date of this Agreement;

(ii) any change in the ownership of an Obligor after the date of this Agreement; or

(iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Facility Agent or any Lender (or, in the case of paragraph (C) below, any prospective new Lender) to comply with “know your customer”, “customer due diligence” or similar identification procedures in circumstances where the necessary information is not already available to it (or, in the case of paragraph (C) below, cannot be provided by the transferring Lender from information already provided to it), the Company shall, as soon as reasonably practicable upon the request of the Facility Agent or the relevant Lender, supply, or procure the supply of, such reasonable documentation and other evidence as is within an Obligor’s possession and control to enable the Facility Agent or such Lender to comply with all necessary “know your customer”, “customer due diligence” or other similar checks required under the relevant laws and regulations including using its reasonable efforts to provide any updated or additional information as may be reasonably requested by the Facility Agent or Lenders to maintain such compliance.

(B) Each Lender shall promptly upon the request of the Facility Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Facility Agent (for itself) in order for the Facility Agent, as the case may be, to carry out and be satisfied it has complied with all

(i) “know your customer” requirements or (ii) other similar checks, in each case as required under all applicable laws and regulations, in each case pursuant to the transactions contemplated in the Finance Documents.

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(C) The Borrower shall, by not less than 10 Business Days' prior written notice to the Facility Agent, notify the Facility Agent (which shall promptly notify the Lenders) of its intention to request that a member of its Group becomes an Additional Guarantor pursuant to this Agreement.

(D) Following the giving of any notice pursuant to paragraph (C) above, if the accession of such Additional Guarantor obliges the Facility Agent or any Lender, by law or applicable regulation, to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Borrower shall promptly upon the request of the Facility Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Facility Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective new Lender) in order for the Facility Agent or such Lender or any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the accession of such subsidiary to this Agreement as an Additional Guarantor.

#### **15.9 Use of websites**

(A) Except as provided below, each Obligor may deliver any information under the Facility Agreement to the Facility Agent by posting it on to an electronic website if:

- (i) it maintains or has access to an electronic website for this purpose and provides the Facility Agent with the details and password to access the website and the information; and
- (ii) the information posted is in a format required by this Agreement or is otherwise agreed between each Obligor and the Facility Agent (whose approval shall not be unreasonably withheld or delayed).

The Facility Agent must supply each relevant Lender with the address of and password for the website.

(B) Notwithstanding the above, the Company must supply to the Facility Agent within 10 Business Days of request, in paper form a copy of any information posted on the website together with sufficient copies for any Lender, if that Lender so requests.

(C) Each Obligor must, promptly upon becoming aware of its occurrence, notify the Facility Agent if:

- (i) the website cannot be accessed;
  - (ii) the website or any information on the website is infected by any electronic virus or similar software;
  - (iii) the password for the website is changed; or
  - (iv) any information to be supplied under the Facility Agreement is posted on the website or amended after being posted.
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If the circumstances in sub-paragraph (C)(i) or (ii) above occur, an Obligor must supply any information required under this Agreement in paper form until the circumstances giving rise to the notification are no longer continuing and the information can be provided in accordance with paragraph (A) above.

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**PART 7  
GUARANTEE**

**16. GUARANTEE AND INDEMNITY**

**16.1 Guarantee and indemnity**

Subject to clause 16.5 (*Limitation on liability*), each Guarantor irrevocably and unconditionally jointly and severally:

- (A) guarantees to each Finance Party punctual performance by each Borrower of all that Borrower's obligations under the Finance Documents;
- (B) undertakes with each Finance Party that whenever a Borrower does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- (C) indemnifies each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover.

**16.2 Continuing guarantee**

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

**16.3 Reinstatement**

If any payment by an Obligor or any discharge given by a Finance Party (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- (A) the liability of each Obligor shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (B) each Finance Party shall be entitled to recover the value or amount of that security or payment from each Obligor, as if the payment, discharge, avoidance or reduction had not occurred.

**16.4 Waiver of defences**

The obligations of each Guarantor under this clause 16 will not be affected by an act, omission, matter or thing which, but for this clause, would reduce, release or prejudice any of its obligations under this clause 16 (without limitation and whether or not known to it or any Finance Party) including:

- (A) any time, waiver or consent granted to, or composition with, any Obligor or other person;
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- (B) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (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 or dissolution or change in the members or status of an Obligor or any other person;
- (E) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or 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; or
- (G) any insolvency or similar proceedings.

#### **16.5 Limitation on liability**

No Guarantor shall have any liability under this clause 16 nor shall any Guarantor otherwise be required to make any payment to any Finance Party or to any trustee or agent on its behalf in respect of any liability of the Borrower which may, at that time, be satisfied by amounts standing to the credit of the LC Cash Collateral Accounts. Subject to the foregoing, each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person claiming from that Guarantor under this clause 16. This waiver applies, subject to the foregoing, irrespective of any law or any provision of a Finance Document to the contrary.

#### **16.6 Appropriations**

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (A) subject to clause 6.9 (*Claims under a Letter of Credit*), refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
  - (B) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this clause 16.
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**16.7 Deferral of Guarantors' rights**

(A) Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Facility Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents:

- (i) to be indemnified by an Obligor;
- (ii) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents; and/or
- (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party.

(B) If a Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with clause 27 (*Payment Mechanics*) of this Agreement.

**16.8 Additional security**

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

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**PART 8**  
**REPRESENTATIONS, COVENANTS, EVENTS OF DEFAULT**

**17. REPRESENTATIONS**

Each Obligor makes the representations and warranties set out in this clause to each Finance Party and acknowledges that each Finance Party has entered into the Finance Documents in full reliance on those representations and warranties.

**17.1 Status**

(A) It is a limited liability or, as the case may be, an exempted company, duly incorporated and validly existing under the laws of its jurisdiction of incorporation.

(B) It has the power to own its assets and carry on its business as it is being conducted.

**17.2 Legal validity**

Each Finance Document to which it is a party constitutes, or will constitute when executed, its valid, legally binding and enforceable obligations in accordance with its terms (subject to any limitation on enforcement under law or general principles of equity or qualifications which are specifically set out in any legal opinion delivered as a Condition Precedent) and that, so far as it is aware having made all due and careful enquiries, each Finance Document is in full force and effect.

**17.3 Non-conflict**

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents to which it is a party do not conflict with:

(A) any applicable law or regulation;

(B) its constitutional documents; or

(C) any agreement binding upon it,

to the extent which has, or could reasonably be expected to have, a Material Adverse Effect.

**17.4 Powers and authority**

It has (or had at the relevant time) the power and authority to execute and deliver the Finance Documents to which it is a party and it has the power and authority to perform its obligations under the Finance Documents to which it is a party and the transactions contemplated thereby.

**17.5 Authorisations**

All Required Approvals (except to the extent already provided as a Condition Precedent, or where required by any Authority in respect of any Security Interest granted (or to be

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granted) under the Security Documents) have been obtained or effected and are in full force and effect (where a failure to do so has or could reasonably be expected to have a Material Adverse Effect).

#### **17.6 Stamp and registration duties**

Except for registration fees, if any, payable in relation to the Charge, there is no stamp or registration duty or similar Tax or charge in respect of any Finance Document, which has not been made or paid within applicable time periods (where a failure to do so has, or could reasonably be expected to have, a Material Adverse Effect).

#### **17.7 No Default**

No Default has occurred and is outstanding.

#### **17.8 Financial statements and other factual information**

(A) The most recent audited financial statements and interim financial statements delivered to the Facility Agent in accordance with clause 15.2 (*Financial statements*):

- (i) have been prepared in accordance with the Approved Accounting Principles (if relevant); and
- (ii) (if audited) give a true and fair view of, or (if unaudited) fairly represent, its financial condition for the relevant period.

(B) All factual information provided by or under the express direction of the Borrower to the Finance Parties in connection with the Facility was believed by the Borrower at the time it was so provided to be true in all material respects.

#### **17.9 Proceedings pending or threatened**

Except as disclosed to the Facility Agent in writing prior to the Signing Date, no litigation, arbitration or administrative proceeding is pending or threatened which could reasonably be expected to be adversely determined against it and which, if so determined, has, or could reasonably be expected to have, a Material Adverse Effect.

#### **17.10 Breach of laws**

(A) It has not breached any law or regulation which has, or could reasonably be expected to have, a Material Adverse Effect.

(B) It is in compliance with all environmental laws, a breach of which could reasonably be expected to give rise to a liability on it which has, or could reasonably be expected to have, a Material Adverse Effect and, so far as it is aware having made due and careful enquiry, there is no environmental claim outstanding against it which, if adversely determined, would give rise to a liability on it which has, or could reasonably be expected to have, a Material Adverse Effect.

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### 17.11 Ranking of security

Subject to any limitations on enforcement under law or general principles of equity or qualifications set out in any legal opinion delivered as a Condition Precedent, each Security Document when executed confers the Security Interests it purports to confer over the assets referred to in that document and those assets are not subject to any other Security Interest.

### 17.12 Pari passu ranking

Its payment obligations under the Finance Documents rank at least *pari passu* with all its other present unsecured obligations, except for obligations mandatorily preferred by law applying to companies generally.

### 17.13 No immunity

In any proceedings taken in any relevant jurisdiction in relation to the Finance Documents (or any of them), it shall not be entitled to claim for itself or any of its assets immunity from suit, execution or attachment or other legal process.

### 17.14 Ownership of Obligors

(A) The Guarantor beneficially owns, indirectly, all of the issued share capital of the Company.

(B) The issued share capital of the Company is fully paid up and, to the extent applicable, beneficially owned by the Guarantor, free of all encumbrances or other third party rights.

### 17.15 OFAC

Each Obligor represents that neither it nor any of its subsidiaries or, to its knowledge, any director, officer, employee, agent or representative of it or any of its subsidiaries is an individual or entity (“**Person**”) currently the subject of any sanctions administered or enforced by the United States Government, including, without limitation, the U.S. Department of Treasury’s Office of Foreign Assets Control, the United Nations Security Council, the European Union, Her Majesty’s Treasury, or other relevant sanctions authority (collectively, “**Sanctions**”), nor is it or any of its subsidiaries located, organised or resident in a country or territory that is the subject of Sanctions.

### 17.16 Times for making representations

(A) The representations set out in this clause 17 (other than the representations in clauses 17.4 (*Powers and authority*) and 17.5 (*Authorisations*)) are made by each Obligor on the date of this Agreement. The representation in clause 17.4 (*Powers and authority*) will be made as at the time that the power or authority is exercised only. Each Repeating Representation is deemed to be repeated by each Obligor on the date of each Utilisation Request, each Utilisation Date and any date when the Letter of Credit Fee is paid by the Borrower.

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(B) When a representation is repeated, it is applied to the facts and circumstances existing at the time of repetition.

## **18. FINANCIAL COVENANTS**

### **18.1 Debt cover ratio**

The Company undertakes that on each Calculation Date the ratio of Consolidated Total Net Borrowings to EBITDAX of the Group for the Measurement Period shall be less than or equal to 3.50 : 1.00.

### **18.2 Interest cover ratio**

The Company undertakes that on each Calculation Date the ratio of EBITDAX of the Group to the Net Interest Payable of the Group for the Measurement Period shall be greater than or equal to 2.25 : 1.00.

### **18.3 Calculation of ratios on Calculation Date**

(A) The Company will give written notice to the Facility Agent of the anticipated occurrence of any Calculation Date together with pro forma calculations of the ratio of Consolidated Total Net Borrowings to EBITDAX of the Group and EBITDAX of the Group to the Net Interest Payable of the Group for the relevant Measurement Period.

(B) The pro forma calculations referred to in paragraph (A) above will:

(i) incorporate all debt and interest of the Group, ignoring any debt that must be mandatorily prepaid as a result of the relevant Calculation Trigger Event (and also ignoring any related interest) and including any debt envisaged to be incurred (and including any interest that would have been payable had that debt been incurred at the beginning of the relevant Measurement Period) by the Group pursuant to the relevant Calculation Trigger Event as though that debt had been incurred at the beginning of the relevant Measurement Period; and.

(ii) ignore, in instances where the relevant Calculation Trigger Event is a Ghana Petroleum Agreement Small Sale Event, the Ghana Petroleum Agreement Small Sale Percentage Reduction and any amounts payable to the Group in connection with a Ghana Petroleum Agreement Small Sale Event.

(C) The Company may only proceed with a Calculation Trigger Event which is listed in paragraph (B)(iv) or (B)(v) of the definition of Calculation Date if the pro forma calculations referred to in paragraph (A) above show that the financial covenants in clause 18.1 (*Debt cover ratio*) and in clause 18.2 (*Interest cover ratio*) would be met for the relevant Measurement Period, or otherwise only with the consent of the Majority Lenders.

(D) The Company may only proceed with a Calculation Trigger Event which is listed in paragraph (B)(i), (B)(ii) or (B)(iii) of the definition of Calculation Date in clause 1.1 (*Definitions*) if the pro forma calculations referred to in paragraph (A) above show that the financial covenants in clause 18.1 (*Debt cover ratio*) and in clause 18.2 (*Interest cover ratio*) would be met for the relevant Measurement Period, or otherwise only with the consent of each Lender.

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## **19. GENERAL UNDERTAKINGS**

The undertakings in this clause shall remain in force from the date of this Agreement until the Discharge Date.

### **19.1 Corporate existence**

Each Obligor shall maintain its corporate existence.

### **19.2 Authorisations**

Each Obligor shall promptly obtain and comply with Required Approvals where a failure to do so would have a Material Adverse Effect.

### **19.3 Compliance with laws**

Each Obligor shall comply with all laws and regulations (including compliance with environmental laws, permits and licences) applicable to it where failure to do so would have a Material Adverse Effect.

### **19.4 Pari passu ranking**

Each Obligor shall ensure that at all times its payment obligations to the Finance Parties under the Finance Documents rank at least *pari passu* as to priority of payment with all its other present and future unsecured and unsubordinated Financial Indebtedness, except for claims mandatorily preferred by operation of law applying generally.

### **19.5 Security**

Each Obligor shall undertake all actions reasonably necessary (including the making or delivery of filings and payment of fees) to maintain the Security Interests under the Security Documents to which it is party in full force and effect (including the priority thereof).

### **19.6 Change of business**

KEL shall procure that no substantial change is made to the general nature of the business of the Obligors or the Group taken as a whole from that carried on by the Group as at the date of this Agreement.

### **19.7 Disposals**

Each Obligor shall not, either in a single transaction or in a series of transactions and whether related or not, dispose of all or a material part of its assets.

### **19.8 Mergers**

No Obligor may enter into any amalgamation, consolidation, demerger, merger or reconstruction or winding-up without the consent of the Majority Lenders, except on a

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solvent basis and in circumstances where the Obligor remains the legal entity following such amalgamation, consolidation, demerger, merger or reconstruction or winding-up.

#### **19.9 Tax affairs**

Each Obligor must promptly file all tax returns required by law within the requisite time limits except to the extent contested in good faith and subject to adequate reserve or provision.

#### **19.10 Distributions**

(A) Each Obligor may make, declare or pay a Shareholder Distribution, subject to there being no Default or Event of Default outstanding and provided that no Default or Event of Default would occur by making such Shareholder Distribution.

(B) For the avoidance of doubt, nothing in paragraph (A) above shall restrict an Obligor from making a Shareholder Distribution at any time (including at a time when a Default or an Event of Default is continuing) to the extent that the payment of such Shareholder Distribution is mandatory under the rules of any Stock Exchange.

#### **19.11 OFAC**

Each Obligor represents and covenants that neither it nor any of its subsidiaries will, directly or, to such Obligor's knowledge, indirectly, use the proceeds of the Facility, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, to fund any activities of or business with any Person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as underwriter, adviser, investor or otherwise) of Sanctions. Furthermore, each Obligor represents and covenants that it and each of its subsidiaries is in compliance with Council Regulation (EU) No 961/2010 of 25 October 2010 on restrictive measures against Iran and repealing Regulation (EC) No 423/2007.

#### **19.12 Restricted Entity**

The Borrower undertakes that it shall not nominate as a Beneficiary any person currently the subject of Sanctions, or located, organised or resident in a country or territory that is the subject of Sanctions.

#### **19.13 Insurance**

The Obligors shall maintain insurances, with reputable independent insurance companies or underwriters, on and in relation to their respective business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

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**19.14 Constitutional documents**

Each Obligor shall notify the Facility Agent of any amendment to any of its constitutional documents in a manner that has, or could reasonably be expected to have, a Material Adverse Effect.

**20. EVENTS OF DEFAULT**

Subject to the following, each of the events or circumstances set out in this clause is an Event of Default unless otherwise stated. Notwithstanding any other provision of any Finance Document:

- (A) no Event of Default will or may occur under this Agreement or be continuing where (and for so long as) Cash Collateral has been deposited into the LC Cash Collateral Accounts which is at least equal to 100 per cent. of the aggregate face value of all outstanding Letters of Credit; and
- (B) any Event of Default which has occurred will be fully and effectively remedied and shall be deemed not to be continuing if and when Cash Collateral which is at least equal to 100 per cent. of the aggregate face value of all outstanding Letters of Credit is deposited into the LC Cash Collateral Accounts.

**20.2 Non-payment**

An Obligor does not pay any amount payable by it to any Finance Party (or to the Facility Agent for its own account) under the Finance Documents in the manner and on the date required under the Finance Documents within five Business Days of its due date.

**20.3 Breach of financial covenant**

The Borrower does not comply with the provisions of the Financial Covenants, provided that where the debt cover ratio or interest cover ratio has been breached, the Borrower shall have 45 days within which to remedy any breach of the relevant financial covenant by means of a prepayment and/or a cancellation of the Facility where any prepayment is funded by the provision of Additional Debt subordinated on terms acceptable to the Majority Lenders (acting reasonably), or by the contribution of equity to the capital of the Borrower or by taking such other remedial action as may be approved by the Majority Lenders provided always that the Borrower shall be entitled to remedy any such breach not more than twice in total and not more than once in any 12-month period.

**20.4 Breach of other obligations**

An Obligor does not comply with any other provision of the Finance Documents to which it is a party (other than in respect of non-payment or breach of a Financial Covenant), unless the non-compliance is:

- (A) capable of remedy; and
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- (B) remedied within 30 days of the earlier of the Facility Agent giving notice or the Obligor becoming aware of the non-compliance.

#### **20.5 Misrepresentation**

Any representation or statement made or deemed to be made by an Obligor in the Finance Documents is or proves to have been incorrect or misleading in any material respect when made or deemed to be made (or, in the case of a representation or statement that contains a materiality concept, is or proves to have been incorrect or misleading in any respect when made or deemed to be made), unless the misrepresentation is:

- (A) capable of remedy; and
- (B) remedied within 30 days of the earlier of the Facility Agent giving notice or the relevant Obligor becoming aware of the misrepresentation.

#### **20.6 Cross-default**

- (A) Any Financial Indebtedness of any Obligor is not paid when due nor within any applicable grace period.
- (B) Any Financial Indebtedness of any Obligor is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described) and such amount is not paid when due.
- (C) Notwithstanding paragraphs (A) and (B) above, no Event of Default will occur under this clause if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness is less than USD 100 million (or its equivalent in any other currency or currencies) or if the relevant event or default has been waived, or if such event or default is caused by a Disruption Event, provided that, in the case of a Disruption Event the requisite payment is made within five Business Days.

#### **20.7 Insolvency**

Any of the following occurs in respect of an Obligor:

- (A) it is, or is deemed for the purposes of any law to be, unable to, or admits its inability to, pay its debts as they fall due or is or becomes insolvent or a moratorium is declared in relation to its indebtedness generally; or
- (B) it stops or suspends or threatens to suspend, or announces an intention to stop or suspend making payment of all or any class of its debts as they fall due in default of the obligation to make the relevant payment.

#### **20.8 Insolvency proceedings**

- (A) Except as provided in paragraph (B) below, any of the following occurs in respect of an Obligor:
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- (i) a written resolution is passed or a resolution is passed at a meeting of its shareholders, directors or other officers to petition for or to file documents with a court or any registrar for its winding-up, administration or dissolution;
  - (ii) any person presents a petition, or files documents with a court or any registrar for its winding-up, administration or dissolution;
  - (iii) an order for its winding-up, administration or dissolution is made;
  - (iv) any liquidator, provisional liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer is appointed in respect of it or any material part of its assets;
  - (v) a moratorium is declared in relation to the indebtedness of an Obligor;
  - (vi) its shareholders, directors or other officers request the appointment of, or give notice of their intention to appoint a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, provisional liquidator, receiver, administrative receiver, administrator or similar officer;
  - (vii) any composition, compromise, assignment or arrangement is made with any of its creditors; or
  - (viii) any other analogous step or procedure is taken in any jurisdiction.
- (B) Paragraph (A) does not apply to:
- (i) any step or procedure which is part of a re-organisation of an Obligor on a solvent basis with the consent of the Majority Lenders (acting reasonably); or
  - (ii) an IPO Reorganisation; or
  - (iii) in the case of sub-paragraph (ii) or (iv) (or any step or procedure under sub-paragraph (vi) that is analogous to sub-paragraph (ii) or (iv)), if the relevant step, petition or filing is made by a person other than an Obligor, shareholder or their respective officers or directors and the relevant Obligor is taking steps in good faith and with due diligence for such proceedings or action to be stayed, discontinued, revoked or set aside and the same is stayed, discontinued, revoked or set aside within a period of 60 days; or
  - (iv) any Enforcement Action that applies to assets having an aggregate value of less than USD 100 million.

## **20.9 Creditors' process**

Any attachment, sequestration, distress, execution or analogous event affects any asset(s) of an Obligor, having an aggregate value of at least USD 15 million, and is not discharged within 45 days.

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**20.10 Unlawfulness and invalidity of the Finance Documents**

If all or any part of a Finance Document is not, or ceases to be, a legal, valid, binding and enforceable obligation of an Obligor, and:

- (A) the Company fails, within 30 days of becoming aware of the matter, to procure the execution of a substitute agreement or agreements on substantially the same terms and with a commercially qualified party or parties acceptable to the Majority Lenders (acting reasonably); or
- (B) the matter is not otherwise remedied within 30 days of an Obligor becoming aware of the matter.

**20.11 Cessation of business**

An Obligor ceases, or threatens to cease, all or a substantial part of its business (as carried on at the date of this Agreement).

**20.12 Repudiation of Finance Documents**

Any Finance Document is repudiated or rescinded by an Obligor.

**20.13 Material litigation**

Any material litigation, arbitration or administrative proceedings are commenced, threatened or pending against an Obligor which could reasonably be expected to be adversely determined against it and which, if so determined, has, or would have, a Material Adverse Effect.

**20.14 Material Adverse Effect**

Any event which, in the opinion of the Majority Lenders (acting reasonably), has a Material Adverse Effect but only following consultation between the Facility Agent and the Company over a period of not less than 30 days with a view to agreeing steps of mitigation (each Party acting reasonably with a view to appropriate remedial action being taken).

**20.15 Acceleration**

On and at any time after the occurrence of an Event of Default which is continuing, the Facility Agent may, and shall if so directed by the Majority Lenders, by notice to the Borrower:

- (A) cancel the Total Commitments whereupon they shall immediately be cancelled;
  - (B) declare that all accrued fees, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable (as applicable);
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- (C) require the Borrower to provide 100% Cash Collateral to the relevant LC Issuing Bank in respect of any outstanding uncollateralised liabilities under each Letter of Credit; and/or
- (D) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under any of the Finance Documents.

**20.16 Notification of Event of Default**

The Facility Agent shall notify the Security Agent of the occurrence of any Event of Default.

**20.17 Lender's Termination**

- (A) On the occurrence of an event or circumstance set out in clause 20 which, but for the operation of clause 20(A) and/or 20(B) would be an Event of Default, and which continues for an uninterrupted period until the date which is at least 90 days after the Borrower first received notice or became aware of the event or circumstance in question (such date being the "**Suspension Period End Date**"), the Facility Agent may, on any date selected by it falling after the Suspension Period End Date (provided that on such selected date the event or circumstance in question is still continuing) provide written notice of the revised Termination Date for the Facility (the "**Revised Termination Date**"), which written notice shall be delivered to the Borrower in accordance with the terms of this Agreement no later than five Business Days prior to such Revised Termination Date.
  - (B) During the period beginning on the date upon which the Borrower first receives notice or becomes aware of an event or circumstance which, but for the operation of clause 20(A) and/or 20(B) would be an Event of Default, and ending on the Suspension Period End Date relating to that event or circumstance, the Borrower, the LC Issuing Bank and the Facility Agent shall negotiate in good faith with a view to resolving the cause of the event or circumstance in question.
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**PART 9**  
**CHANGES TO LENDERS AND OBLIGORS AND ROLES**

**21. CHANGES TO THE LENDERS**

**21.1 Assignments and transfers and changes in Facility Office by the Lenders**

Subject to this clause and to clause 21.2 (*Transfer of LC Issuing Bank role*), a Lender (the “**Existing Lender**”) may:

(A)

- (i) assign any of its rights; or
- (ii) transfer by novation any of its rights and obligations,

to an Affiliate, another Lender, an Affiliate of another Lender or a Qualifying Bank, another bank or financial institution or to a trust or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets or such other institution as the Borrower may agree in writing (the “**New Lender**”), or

(B) change its Facility Office.

**21.2 Transfer of LC Issuing Bank role**

The Original Lender, who at the Signing Date holds the role of LC Issuing Bank, may not, without the prior written consent of the Borrower, assign, novate or otherwise transfer its rights or obligations as LC Issuing Bank.

**21.3 Conditions of assignment and transfer or change in Facility Office**

(A) The consent of the Company is required for an assignment or transfer by an Existing Lender, unless the assignment or transfer is (i) to, or in favour of, another Lender, an Affiliate of a Lender or a Qualifying Bank, or (ii) made at a time when an Event of Default is continuing.

(B) The consent of the Company is required for a change in Facility Office to a different jurisdiction. In the case of a change of Facility Office for which the Company’s consent is not required, the Lender must notify the Company of the new Facility Office promptly on the change taking effect.

(C) The consent of the Company to an assignment or transfer or change in Facility Office must not be unreasonably withheld or delayed (and will be deemed to have been given five Business Days after the relevant Lender has requested it unless consent is expressly refused by the Company within that time).

(D) An assignment will only be effective on:

- (i) receipt by the Facility Agent of written confirmation from the New Lender (in form and substance satisfactory to the Facility Agent) that the New Lender will assume the same
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obligations to the other Finance Parties as it would have been under if it was an Original Lender; and

(ii) the New Lender entering into the documentation required for it to accede as a party to the relevant Finance Documents.

(E) A transfer will only be effective if the procedure set out in clause 21.6 (*Procedure for transfer*) is complied with.

(F) If:

(i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and

(ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under clause 11 (*Tax Gross-Up and Indemnities*) or clause 12 (*Increased costs*),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

(G) Each New Lender, by executing the relevant Transfer Certificate confirms, for the avoidance of doubt, that the Facility Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with the Finance Documents on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement.

(H) Any assignment or transfer of part of the Existing Lender's rights and/or obligations must be a minimum of USD 5 million (or, if less, the entire Commitment of the Existing Lender) and must not result in the Existing Lender retaining less than USD 5 million, unless the assignment or transfer is made at a time when an Event of Default is continuing.

#### **21.4 Assignment or transfer fee**

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Facility Agent (for its own account) a fee of USD 2,500.

#### **21.5 Limitation of responsibility of Existing Lenders**

(A) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

(i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;

(ii) the financial condition of any Obligor;

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(iii) the performance and observance by any Obligor of its obligations under the Finance Documents or any other documents; or

(iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,

and any representations or warranties implied by law are excluded.

(B) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:

(i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in the Facility and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and

(ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

(C) Nothing in any Finance Document obliges an Existing Lender to:

(i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this clause; or

(ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

#### **21.6 Procedure for transfer**

(A) Subject to the conditions set out in clause 21.3 (*Conditions of assignment and transfer or change in Facility Office*) a transfer is effected in accordance with paragraph (B) below when the Facility Agent executes an otherwise duly completed Transfer Certificate and Lender Accession Notice delivered to it by the Existing Lender and the New Lender. The Facility Agent shall, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate and Lender Accession Notice appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate and Lender Accession Notice on behalf of the other Finance Parties and the Obligors as well as itself, and notify the Company of the date of the transfer and name of the New Lender. Each Finance Party and each Obligor irrevocably authorises the Facility Agent to sign such a Transfer Certificate and Lender Accession Notice on its behalf.

(B) On the Transfer Date:

(i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents, each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (being the “**Discharged Rights and Obligations**”);

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(ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;

(iii) the Facility Agent, the New Lender and the other Finance Parties shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent such Finance Parties and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and

(iv) the New Lender shall become a Party as a “**Lender**”.

#### **21.7 Copy of Transfer Certificate and Lender Accession Notice to Borrower**

The Facility Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate and Lender Accession Notice, send to the Company a copy of that Transfer Certificate and Lender Accession Notice.

#### **21.8 Disclosure of information**

Any Lender, its officers and agents may disclose to any of its Affiliates (including its head office, representative and branch offices in any jurisdiction) (each a “**Permitted Party**”) and:

(A) to any person (or through) whom that Lender assigns or transfers (or may potentially assign or transfer) all or any of its rights and obligations under this Agreement (or any adviser on a need-to-know basis advising such person on any of the foregoing);

(B) to a professional adviser or a service provider of the Permitted Parties on a need-to-know basis advising such person on the rights and obligations under the Finance Documents or to an auditor of any Permitted Party on a need-to-know basis;

(C) with (or through) whom that Lender enters into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made by reference to, this Agreement or any Obligor (or any adviser of any of the foregoing on a need-to-know basis advising such person on the rights and obligations under the Finance Documents);

(D) to any rating agency (provided only general terms are disclosed in relation to the rating of a portfolio of assets), insurer or insurance broker, a direct or indirect provider of credit protection in respect of the Lender’s participation in the Facility only on a need-to know-basis;

(E) to any court or tribunal or regulatory, supervisory, governmental or quasi-governmental authority with jurisdiction over the Permitted Parties who requires disclosure of that information (where the Permitted Party has a legal obligation to provide that information or, if not, is customarily obligated or required to comply with such requirement);

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(F) to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation; or

(G) to any person who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (A) or (C) above,

any information about any Obligor, the Group and the Finance Documents as that Lender shall consider appropriate if, in relation to paragraphs (A) to (C) above, the person to whom the information is to be given has entered into a Confidentiality Undertaking (unless such person is already subject to professional confidentiality requirements which are no less stringent than those which are set out in a Confidentiality Undertaking) and provided that it shall itself ensure that all such information is kept confidential and is protected with security measures and a degree of care that would apply to its own confidential information.

## **21.9 Security over Lenders' rights**

In addition to the other rights provided to Lenders under this clause 21, each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create any Security Interest in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

(A) any charge, assignment or other Security Interest to secure obligations to a federal reserve or central bank; and

(B) in the case of any Lender which is a fund, any charge, assignment or other Security Interest granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security Interest shall:

(i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security Interest for the Lender as a party to any of the Finance Documents; or

(ii) require any payments to be made by an Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

## **22. CHANGES TO THE OBLIGORS**

### **22.1 Assignments and transfers by Obligors**

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

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## **22.2 Additional Guarantor**

(A) Subject to compliance with the provisions of paragraphs (C) and (D) of clause 15.8 ( "*Know your customer*" and "*customer due diligence*" requirements), the Borrower may request that any member of the Group becomes an Additional Guarantor. That Group member shall become an Additional Guarantor if:

- (i) the Company delivers to the Facility Agent an Accession Letter duly completed and executed by that Additional Guarantor and the Company; and
- (ii) the Facility Agent has received all of the documents and other evidence listed in Part II of Schedule 2 ( *Conditions Precedent*) in relation to that Additional Guarantor, each in form and substance satisfactory to the Facility Agent.

(B) The Facility Agent shall notify the Company and the Lenders promptly upon being satisfied (acting reasonably) that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part II of Schedule 2 ( *Conditions Precedent*).

## **23. ROLE OF THE FACILITY AGENT AND THE ARRANGER**

### **23.1 Appointment of the Facility Agent**

(A) Each Finance Party (other than the Facility Agent) appoints the Facility Agent to act in that capacity under and in connection with the Finance Documents.

(B) Each other Finance Party authorises the Facility Agent to exercise the rights, powers, authorities and discretions specifically given to it under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

### **23.2 Duties of the Facility Agent**

(A) The Facility Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Facility Agent for that Party by any other Party.

(B) Except where a Finance Document specifically provides otherwise, the Facility Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(C) If the Facility Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Finance Parties.

(D) If the Facility Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than to an Agent) under this Agreement, it shall promptly notify the other Finance Parties.

(E) The Facility Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

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### **23.3 No fiduciary duties**

- (A) Except as specifically provided in the Finance Documents, nothing in this Agreement constitutes the Facility Agent as a trustee or fiduciary of any other person.
- (B) The Facility Agent shall not be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

### **23.4 Business with the Group**

The Facility Agent may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

### **23.5 Rights and discretions of the Facility Agent**

- (A) The Facility Agent may rely on:
    - (i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and
    - (ii) any statement made by a director, Authorised Signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.
  - (B) The Facility Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
    - (i) no Default has occurred (unless it has actual knowledge of a Default arising under clause 20.2 (*Non-payment*));
    - (ii) any right, power, authority or discretion vested in any Party or the Lenders (or any consistent majority of Lenders) has not been exercised; and
    - (iii) any notice or request made by the Company (other than a Utilisation Request) is made on behalf of and with the consent and knowledge of all the Obligors.
  - (C) The Facility Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.
  - (D) The Facility Agent may act in relation to the Finance Documents through its personnel and agents.
  - (E) The Facility Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
  - (F) Notwithstanding any other provision of any Finance Document to the contrary, the Facility Agent is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
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### **23.6 Lenders' instructions**

(A) Unless a contrary indication appears in a Finance Document, the Facility Agent shall (i) exercise any right, power, authority or discretion vested in it as Facility Agent in accordance with any instructions given to it by the Lenders in accordance with this Agreement (or, if so instructed, refrain from exercising any right, power, authority or discretion vested in it as Facility Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with such instructions.

(B) The Facility Agent may refrain from acting in accordance with instructions given to it by the Lenders in accordance with this Agreement until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.

(C) In the absence of instructions in accordance with this Agreement the Facility Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.

(D) The Facility Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

### **23.7 Responsibility for documentation**

The Facility Agent:

(A) is not responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Facility Agent, an Obligor or any other person given in or in connection with any Finance Document; or

(B) is not responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document.

### **23.8 Exclusion of liability**

(A) Without limiting paragraph (B) below (and without prejudice to the provisions of paragraph (E) of clause 27.9 (*Disruption to Payment Systems etc.*), the Facility Agent shall not be liable (including, without limitation, for negligence or any other category of liability whatsoever) for any action taken by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct.

(B) No Party (other than the Facility Agent) may take any proceedings against any officer, employee or agent of the Facility Agent in respect of any claim it might have against it or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Facility Agent may rely on this clause.

(C) The Facility Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by it if the Facility Agent has taken all necessary steps as soon as reasonably practicable to comply

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with the regulations or operating procedures of any recognised clearing or settlement system used by it for that purpose.

### **23.9 Lenders' indemnity to the Facility Agent**

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Facility Agent within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by it (otherwise than by reason of the Facility Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to clause 27.9 (*Disruption to Payment Systems etc.*) notwithstanding the Facility Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facility Agent) in acting as Facility Agent under the Finance Documents (unless the Facility Agent has been reimbursed by an Obligor pursuant to a Finance Document).

### **23.10 Resignation of the Facility Agent**

- (A) The Facility Agent may resign and appoint one of its Affiliates acting through an office in the United Kingdom as successor by giving notice to the other Finance Parties and the Company.
- (B) Alternatively, the Facility Agent may resign by giving notice to the other Finance Parties and the Company, in which case the Majority Lenders may appoint a successor Facility Agent.
- (C) If the Majority Lenders have not appointed a successor Facility Agent in accordance with paragraph (B) above within 30 days after notice of resignation was given, the Facility Agent may (with the prior written consent of the Company) appoint a successor Facility Agent (acting through an office in the United Kingdom).
- (D) The retiring Facility Agent shall, at its own cost, make available to the successor Facility Agent such documents and records and provide such assistance as the successor Facility Agent may reasonably request for the purposes of performing its functions as Facility Agent under the Finance Documents. This obligation shall not apply in the event the Facility Agent is required to resign pursuant to paragraph (G) below.
- (E) The Facility Agent's resignation notice shall only take effect upon the appointment of a successor.
- (F) Upon the appointment of a successor, a retiring Facility Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this clause 23.10. Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- (G) After consultation with the Company, the Majority Lenders may, by notice to the Facility Agent, require it to resign in accordance with paragraph (B) above.
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### **23.11 Replacement of Administrative parties**

(A) If:

(i) in relation to the Facility Agent (or its holding company), clause 20.7 (*Insolvency*) or clause 20.8 (*Insolvency proceedings*) (disregarding paragraph (B) of that clause) applies or has occurred; or

(ii) if the Facility Agent or any of its Affiliates repudiates its obligations under the Facility or (in its capacity as Lender) becomes a Non-Funding Lender,

the Company shall be entitled to request that Majority Lenders appoint within 10 Business Days either a co-Facility Agent or a replacement Facility Agent from one of their number or (subject to reasonable consultation with the Company), from outside the Lender group.

(B) The Facility Agent to which either of the circumstances described in (A)(i) or (A)(ii) above applies (an “ **Affected Facility Agent**”) shall cease to be entitled to fees in respect of its role upon becoming an Affected Facility Agent.

(C) The Affected Facility Agent shall provide all assistance and documentation reasonably required to the Company and the other Lenders to enable the uninterrupted administration of the Facility. This shall include the provision to the Company on request and in any event, within five Business Days, of an up to date list of participants in the Facility including names and contact details.

### **23.12 Confidentiality**

(A) In acting as agent for the Finance Parties, the Facility Agent shall be regarded as acting through its agency division performing the role which shall be treated as a separate entity from any other of its divisions or departments.

(B) If information is received by another division or department of the Facility Agent, it may be treated as confidential to that division or department and the Facility Agent shall not be deemed to have notice of it.

### **23.13 Facility Agent relationship with the Lenders**

The Facility Agent may treat each Lender as a Lender, entitled to payments under this Agreement and acting through its Facility Office unless it has received not less than five Business Days’ prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

### **23.14 Credit appraisal by the Lenders**

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Facility Agent that it has been, and will continue to be, solely responsible for making its own

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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 the Guarantor and each member of the Group;
- (B) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (C) whether that Lender 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 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; and
- (D) the adequacy, accuracy and/or completeness of any information provided by the Facility Agent, any Party or by any other person under or in connection with any Finance Document, 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.

### **23.15 Deductions from amounts payable by Agents**

If any Party owes an amount to the Facility Agent under the Finance Documents, the Facility Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Facility Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents, that Party shall be regarded as having received any amounts so deducted.

## **24. THE SECURITY AGENT**

### **24.1 Trust**

- (A) The Security Agent declares that it shall hold the Secured Property on trust for the Secured Parties on the terms contained in this Agreement.
- (B) Each of the Secured Parties to this Agreement agrees that the Security Agent shall have only those duties, obligations and responsibilities expressly specified in this Agreement or in the Security Documents to which the Security Agent is expressed to be a party (and no others shall be implied).

### **24.2 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 Agent.

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### **24.3 Instructions to Security Agent and exercise of discretion**

- (A) Subject to paragraphs (D) and (E) below, the Security Agent shall act in accordance with any instructions given to it by the Majority Lenders or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Security Agent and shall be entitled to assume that (i) any instructions received by it from the Facility Agent or a group of Lenders 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 Agent shall be entitled to request instructions, or clarification of any direction, from the Majority Lenders as to whether, and in what manner, it should exercise or refrain from exercising any rights, powers, authorities and discretions and the Security Agent may refrain from acting unless and until those instructions or clarification are received by it.
- (C) Any instructions given to the Security Agent by the Majority Lenders 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 Agent to act in a specified manner or to take a specified action;
  - (iii) in respect of any provision which protects the Security Agent's own position in its personal capacity as opposed to its role of Security Agent for the Secured Parties.
- (E) 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 Lenders as to the exercise of that discretion; or
  - (ii) the exercise of that discretion is subject to paragraph (D)(iii) above,
- the Security Agent shall do so having regard to the interests of all the Secured Parties.

### **24.4 Security Agent's actions**

Without prejudice to the provisions of clause 24.3 (*Instructions to Security Agent and exercise of discretion*), the Security 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.

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#### **24.5 Security Agent's discretions**

The Security Agent may:

- (A) assume (unless it has received actual notice to the contrary from the Facility Agent) 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) 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 Agent or by any other Secured Party) whose advice or services may at any time seem necessary, expedient or desirable;
- (C) 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 Lender or an Obligor, upon a certificate signed by or on behalf of that person; and
- (D) refrain from acting in accordance with the instructions of any Secured 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.

#### **24.6 Security Agent's obligations**

The Security Agent shall promptly:

- (A) copy to the Facility Agent the contents of any notice or document received by it from any Obligor under any Finance Document; and
- (B) forward to a Secured Party the original or a copy of any document which is delivered to the Security Agent for that Secured Party by any other Party **provided that**, except where a Finance Document expressly provides otherwise, the Security Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

#### **24.7 Excluded obligations**

Notwithstanding anything to the contrary expressed or implied in the Finance Documents, the Security 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; or
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(D) have or be deemed to have any relationship of trust or agency with any Obligor.

#### **24.8 Exclusion of liability**

None of the Security 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 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 the Facility 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.

#### **24.9 No proceedings**

No Party (other than the Security Agent, that Receiver or that Delegate) may take any proceedings against any officer, employee or agent of the Security Agent, a Receiver or a Delegate in respect of any claim it might have against the Security 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 any Finance Document or any Secured Property and any officer, employee or agent of the Security Agent, a Receiver or a Delegate may rely on this clause subject to the provisions of the Third Parties Rights Act.

#### **24.10 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 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;

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(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 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 Agent that it has not relied on and will not at any time rely on the Security Agent in respect of any of these matters.

#### **24.11 No responsibility to perfect Transaction Security**

The Security 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.

#### **24.12 Insurance by Security Agent**

(A) The Security 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

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arrange or maintain insurance contained in the Finance Documents. The Security 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 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 the Facility Agent shall have requested it to do so in writing and the Security Agent shall have failed to do so within 14 days after receipt of that request.

#### **24.13 Custodians and nominees**

The Security 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 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 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.

#### **24.14 Acceptance of title**

The Security Agent shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that any of the Obligors 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.

#### **24.15 Refrain from illegality**

Notwithstanding anything to the contrary expressed or implied in the Finance Documents, the Security 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 Agent may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

#### **24.16 Business with the Obligors**

The Security Agent may accept deposits from, lend money to, and generally engage in any kind of banking or other business with any of the Obligors.

#### **24.17 Winding up of trust**

If the Security Agent, with the approval of the Facility Agent, determines 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:

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- (A) the trusts set out in this Agreement shall be wound up and the Security Agent shall release, without recourse or warranty, all of the Transaction Security and the rights of the Security Agent under each of the Security Documents; and
- (B) any Retiring Security Agent shall release, without recourse or warranty, all of its rights under each of the Security Documents.

**24.18 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.

**24.19 Powers supplemental**

The rights, powers and discretions conferred upon the Security 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 Agent by general law or otherwise.

**24.20 Trustee division separate**

(A) In acting as trustee for the Secured Parties, the Security 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 Agent, it may be treated as confidential to that division or department and the Security Agent shall not be deemed to have notice of it.

**24.21 Disapplication**

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security 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.

**24.22 Obligors: Power of Attorney**

Each Obligor by way of security for its obligations under this Agreement irrevocably appoints the Security Agent to be its attorney to do anything which that Obligor has authorised the Security 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 Agent may delegate that power on such terms as it sees fit).

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## 25. CHANGE OF SECURITY AGENT AND DELEGATION

### 25.1 Resignation of the Security Agent

- (A) The Security Agent may resign and appoint one of its affiliates as successor by giving notice to the Company and the Lenders.
- (B) Alternatively the Security Agent may resign by giving notice to the other Lenders in which case the Majority Lenders may appoint a successor Security Agent.
- (C) If the Majority Lenders have not appointed a successor Security Agent in accordance with paragraph (B) above within 30 days after the notice of resignation was given, the Security Agent (after consultation with the Facility Agent) may appoint a successor Security Agent.
- (D) The retiring Security Agent (the “**Retiring Security Agent**”) shall, at its own cost, make available to the successor Security Agent such documents and records and provide such assistance as the successor Security Agent may reasonably request for the purposes of performing its functions as Security Agent under the Finance Documents.
- (E) The Security 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 Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph 24.17(B) (*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 Agent, remain entitled to the benefit of clause 24 (*The Security Agent*), clause 30.1 (*Obligors’ indemnity*) and clause 30.3 (*Lenders’ 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 Lenders may, by notice to the Security Agent, require it to resign in accordance with paragraph (B) above. In this event, the Security Agent shall resign in accordance with paragraph (B) above but the cost referred to in paragraph (D) above shall be for the account of the Company.

### 25.2 Delegation

- (A) Each of the Security 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 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.

### 25.3 Additional Security Agents

- (A) The Security 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
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requirements, restrictions or conditions which the Security Agent deems to be relevant or (iii) for obtaining or enforcing any judgment in any jurisdiction, and the Security Agent shall give prior notice to the Company and the Facility Agent of that appointment.

(B) Any person so appointed shall have the rights, powers and discretions (not exceeding those conferred on the Security 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 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 Agent.

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**PART 10**  
**ADMINISTRATION, COSTS AND EXPENSES**

**26. BANK ACCOUNTS**

**26.1 LC Cash Collateral Accounts**

The borrower shall establish and maintain the LC Cash Collateral Accounts with the Account Bank.

**27. PAYMENT MECHANICS**

**27.1 Payments to the Facility Agent**

(A) On any date on which an Obligor or a Lender is required to make a payment under a Finance Document, that Obligor or Lender shall make the same available to the Facility Agent in US Dollars (unless a contrary indication appears in a Finance Document) for value on the due date at the time specified by the Facility Agent as being customary at the time for settlement of transactions in the place of payment.

(B) Payment shall be made to such account in London (or, as the case may be, Paris or New York) as the Facility Agent specifies.

**27.2 Distributions by the Facility Agent**

Each payment received by the Facility Agent under the Finance Documents for another Party shall be made available by the Facility Agent as soon as practicable after receipt to the Party entitled to receive payment (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Facility Agent by not less than five Business Days' notice with a bank in London (or, as the case may be, Paris or New York).

**27.3 Clawback**

(A) Where a sum is to be paid to the Facility Agent under the Finance Documents for another Party, the Facility Agent is not obliged to pay that sum to that other Party (or enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.

(B) If the Facility Agent pays an amount to another Party and it proves to be the case that the Facility Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Facility Agent shall on demand refund the same to the Facility Agent together with interest on that amount from the date of payment to the date of receipt by the Facility Agent, calculated by the Facility Agent to reflect its cost of funds.

**27.4 Partial payments**

(A) If the Facility Agent receives a payment for application against amounts due in respect of any Finance Documents that is insufficient to discharge all the amounts then due and payable

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by an Obligor under those Finance Documents, the Facility Agent shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:

- (i) **first**, in or towards payment pro rata of any unpaid fees, costs and expenses of the Facility Agent under the Finance Documents;
  - (ii) **secondly**, in or towards payment pro rata of any accrued interest, fee or commission due but unpaid under this Agreement;
  - (iii) **thirdly**, in or towards payment pro rata of any principal due but unpaid under this Agreement; and
  - (iv) **fourthly**, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.
- (B) The Facility Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (A)(ii) to (iv) above.
- (C) Paragraphs (A) and (B) above will override any appropriation made by an Obligor.

#### **27.5 No set-off by Obligors**

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

#### **27.6 Business Days**

- (A) Subject to paragraph (C) below, any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (B) During any extension of the due date for payment of any Unpaid Sum under the Finance Documents, interest is payable on the Unpaid Sum at the rate payable on the original due date.
- (C) Notwithstanding paragraph (A) above, a payment due on the Termination Date shall be made on the Termination Date.

#### **27.7 Currency of account**

The default currency for any sum due from an Obligor under any Finance Document is the US Dollar.

#### **27.8 Change of currency**

- (A) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
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(i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Facility Agent acting reasonably (after consultation with the Company); and

(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Facility Agent (acting reasonably).

(B) If a change in any currency of a country occurs, the Parties will enter negotiations in good faith with a view to agreeing any amendments which may be necessary to this Agreement to comply with any generally accepted conventions and market practice in the London interbank market and otherwise to reflect the change in currency.

#### **27.9 Disruption to Payment Systems etc.**

If the Facility Agent determines (acting reasonably) that a Disruption Event has occurred or the Facility Agent is notified by the Company that a Disruption Event has occurred:

(A) the Facility Agent may, and shall if requested to do so by the Company, consult with the Company with a view to agreeing with the Company such changes to the operation or administration of the Facility (including, without limitation, changes to the timing and mechanics of payments due under the Finance Documents) as the Facility Agent may deem necessary in the circumstances;

(B) the Facility Agent shall not be obliged to consult with the Company in relation to any changes mentioned in paragraph (A) above if, in its reasonable opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;

(C) the Facility Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (A) above but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;

(D) any such changes agreed upon by the Facility Agent and the Company shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents, notwithstanding the provisions of clause 36 (*Amendments and Waivers*);

(E) the Facility Agent shall not be liable for any damages, costs or losses whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facility Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this clause; and

(F) the Facility Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (D) above.

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**28. SET-OFF**

Without prejudice to the rights of the Finance Parties at law, at any time after an Event of Default has occurred which is continuing, a Finance Party (other than a Non-Funding Lender) may, on giving notice to the Obligor, set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

**29. COSTS AND EXPENSES**

**29.1 Transaction expenses**

The Company shall, within 15 Business Days of written demand, pay the Facility Agent the amount of all costs and expenses (including legal fees) reasonably incurred by any of them in connection with the negotiation, preparation, printing, and execution of:

- (A) this Agreement and any other documents referred to in this Agreement; and
- (B) any other Finance Documents executed after the date of this Agreement.

**29.2 Amendment costs**

If:

- (A) an Obligor requests an amendment, waiver or consent; or
- (B) an amendment is required pursuant to clause 27.8 (*Change of currency*),

the Company shall, within 15 Business Days of written demand, reimburse the Facility Agent for the amount of all costs and expenses (including legal fees) reasonably incurred by the Facility Agent in responding to, evaluating, negotiating or complying with that request or requirement.

**29.3 Enforcement costs**

The Company shall, within five Business Days of written demand, pay to each Finance Party the amount of all costs and expenses (including legal fees) incurred by that Finance Party in connection with the enforcement or attempted enforcement of, or the preservation of any rights under, any Finance Document.

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### **30. INDEMNITIES**

#### **30.1 Obligors' indemnity**

Each Obligor shall promptly indemnify the Security 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 the Company to comply with obligations under clause 29 (*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 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).

#### **30.2 Priority of indemnity**

The Security 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 30.1 (*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.

#### **30.3 Lenders' indemnity**

Each Lender shall (in the proportion that the Liabilities due to it bears to the aggregate of the Liabilities due to all the Lenders for the time being (or, if the Liabilities due to each of those Lenders is zero, immediately prior to their being reduced to zero)), indemnify the Security 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 Agent's, Receiver's or Delegate's gross negligence or wilful misconduct in acting as Security Agent, Receiver or Delegate under the Finance Documents (unless the Security Agent, Receiver or Delegate has been reimbursed by an Obligor pursuant to a Finance Document) and the Obligors shall jointly and severally indemnify each Lender against any payment made by it under this clause 30.

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**31. NOTICES**

**31.1 Communications in writing**

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter or, as appropriate, electronic mail.

**31.2 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 the Finance Documents is:

- (A) in the case of the Obligors, that identified with its name below;
- (B) in the case of each Lender or any other Obligor, that notified in writing to the Facility Agent on or prior to the date on which it becomes a Party; and
- (C) in the case of the Facility Agent, that identified with its name below,

or any substitute address or fax number or department or officer as the Party may notify to the Facility Agent (or the Facility Agent may notify to the other Parties, if a change is made by the Facility Agent) by not less than five Business Days' notice.

Contact details of the Original Borrower

P.O. Box 32322  
4th Floor, Century Yard  
Cricket Square  
Elgin Avenue  
George Town  
Grand Cayman  
KY1-1209  
Cayman Islands

c/o Kosmos Energy LLC  
8176 Park Lane  
Suite 500  
Dallas  
Texas 75231  
USA

**Fax:** (345) 946 4090

**Fax:** +1 214 445 9705

**Attention:** Andrew Johnson

**Attention:** General Counsel

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Contact details of the Guarantor

Clarendon House  
2 Church Street  
Hamilton  
HM11  
Bermuda

c/o Kosmos Energy LLC  
8176 Park Lane  
Suite 500  
Dallas  
Texas 75231  
USA

**Fax:** (345) 946 4090

**Fax:** +1 214 445 9705

**Attention:** Andrew Johnson

**Attention:** General Counsel

Contact details of the Facility Agent

SG House  
41 Tower Hill  
London  
EC3N 4SG

**Fax:**

+44 207676 6661

**Attention:**

Mirela Kubicka and Muzaffar Khalmirzaev

Contact details of the Security Agent

SG House  
41 Tower Hill  
London  
EC3N 4SG

**Fax:**

+44 207676 6661

**Attention:**

Mirela Kubicka and Muzaffar Khalmirzaev

Contact details of the Account Bank

SG House  
41 Tower Hill  
London  
EC3N 4SG

**Fax:**

+44 207676 6661

**Email:**

;  
; and

**Attention:**

Mirela Kubicka and Muzaffar Khalmirzaev

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### **31.3 Delivery**

(A) Subject to clause 31.5 (*Electronic communication*), any communication or document made or delivered by one person to another under or in connection with the Finance Documents 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 with 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 31.2 (*Addresses*), if addressed to that department or officer.

(B) Any communication or document to be made or delivered to the Facility Agent will be effective only when actually received by the Facility Agent and then only if it is expressly marked for the attention of the department or officer identified with the Facility Agent's signature below (or any substitute department or officer as the Facility Agent shall specify for this purpose).

(C) All notices from or to an Obligor shall be sent through the Facility Agent.

(D) Any communication or document made or delivered to the Company in accordance with this clause will be deemed to have been made or delivered to each of the Obligors.

### **31.4 Notification of address and fax number**

Promptly upon receipt of notification of an address or fax number or change of address or fax number pursuant to clause 31.2 (*Addresses*) or changing its own address or fax number, the Facility Agent shall notify the other Parties.

### **31.5 Electronic communication**

(A) Any communication to be made between the Facility Agent and a Lender under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if the Facility Agent and the relevant Lender:

- (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.
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(B) Any electronic communication made between the Facility Agent and a Lender will be effective only when actually received in readable form and in the case of any electronic communication made by a Lender to the Facility Agent only if it is addressed in such a manner as the Facility Agent shall specify for this purpose.

### **31.6 English language**

(A) Any notice given under or in connection with any Finance Document must be in English.

(B) All other documents provided under or in connection with any Finance Document must be:

(i) in English; or

(ii) if not in English, and if so required by the Facility 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 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 31.6 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.

## **32. CALCULATIONS AND CERTIFICATES**

### **32.1 Accounts**

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

### **32.2 Certificates and determinations**

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest or proven error, *prima facie* evidence of the matters to which it relates.

### **32.3 Day count convention**

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days.

## **33. DISCLOSURE TO NUMBERING SERVICE PROVIDERS**

(A) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facility and/or one or more Obligors the following information:

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- (i) names of Obligor;
- (ii) country of domicile of Obligor;
- (iii) place of incorporation of Obligor;
- (iv) date of this Agreement;
- (v) the name of the Facility Agent;
- (vi) date of each amendment and restatement of this Agreement;
- (vii) amount of Total Commitments;
- (viii) currencies of the Facility;
- (ix) type of Facility;
- (x) ranking of Facility;
- (xi) Termination Date for the Facility;
- (xii) changes to any of the information previously supplied pursuant to paragraphs (i) to (xi) above; and
- (xiii) such other information agreed between such Finance Party and the Company,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

(B) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or one or more Obligor by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

(C) The Company represents that none of the information set out in paragraphs (i) to (xiii) of paragraph (A) above is, nor will at any time be, unpublished price-sensitive information.

(D) The Facility Agent shall notify the Company and the other Finance Parties of:

- (i) the name of any numbering service provider appointed by the Facility Agent in respect of this Agreement, the Facility and/or one or more Obligor;  
and
  - (ii) the number or, as the case may be, numbers assigned to this Agreement, the Facility and/or one or more Obligor by such numbering service provider.
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#### **34. PARTIAL INVALIDITY**

If, at any time, any provision of the Finance Documents 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 such provision under the law of any other jurisdiction will in any way be affected or impaired.

#### **35. REMEDIES AND WAIVERS**

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under the Finance Documents 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.

#### **36. AMENDMENTS AND WAIVERS**

##### **36.1 Required consents**

(A) Subject to clause 36.2 (*Exceptions*) below, any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Obligors and any such amendment or waiver will be binding on all Parties.

(B) The consent of the Security Agent shall be required in relation to any proposed amendment or waiver of clause 24 (*The Security Agent*), clause 25 (*Change of Security Agent and Delegation*) or clause 30 (*Indemnities*).

(C) The Facility Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this clause.

##### **36.2 Exceptions**

(A) The following may not be effected without the consent of all the Lenders:

- (i) amending the definition of “**Majority Lenders**”;
  - (ii) amending, varying or waiving clause 4 (*Finance Parties’ Rights and Obligations*) and/or any other term of any Finance Document which relates to the rights and/or obligations of each Finance Party being several;
  - (iii) varying the date for, or altering the amount or currency of, any payment to Lenders under the Finance Documents;
  - (iv) extending the Commitment of a Lender (except in relation to clause 8.1 (*Illegality*));
  - (v) amending varying or waiving a term of any Finance Document which expressly requires the consent of all the Lenders;
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- (vi) amending, varying or waiving this clause; or
- (vii) any release of Security Interests granted pursuant to any Security Document.
- (B) An amendment or waiver which relates to the rights or obligations of the Facility Agent may not be effected without the consent of the Facility Agent.
- (C) If a Lender (i) becomes a Non-Funding Lender or (ii) does not accept or reject a request for an amendment, waiver, consent or approval within 15 Business Days (or such longer period as the Company may specify) of such request being made, that Lender's Commitment shall not be included for the purposes of calculating Total Commitments under the Facility when ascertaining whether a certain percentage of Total Commitments has been obtained to approve the amendment, waiver, consent or approval, provided that (other than in the case of (i) above) no more than 25 per cent. of Lender votes (by Commitment) may be disregarded in such a way.

### **36.3 Exclusions**

Subject to clause 36.2 (*Exceptions*), if a Lender does not accept or reject a request for an amendment or waiver within 10 Business Days of receipt of such request (or such longer period as the Company and the Facility Agent may agree), or abstains from accepting or rejecting a request for an amendment or waiver, or if the Lender is a Non-Funding Lender, its Commitments shall not be included for the purpose of calculating the Total Commitments when ascertaining whether the consent of a Lender or Lenders whose Commitments aggregate more than the required percentage of the Total Commitments has been obtained in respect of such request.

### **36.4 Disenfranchisement of Shareholder Affiliates**

Notwithstanding any other provisions of this Agreement, for so long as a Shareholder Affiliate is a Lender and/or to the extent that a Shareholder Affiliate beneficially owns a Commitment or has entered into a sub-participation agreement relating to a Commitment or other agreement or arrangement having a substantially similar economic effect and such agreement or arrangement has not been terminated, such Shareholder Affiliate shall not be entitled to exercise any rights to vote as Lender in respect of any matters requiring decision by the Lenders under the terms of this Agreement or any of the Finance Documents. Each such Shareholder Affiliate acknowledges and agrees that:

- (A) in the event that a matter requires decision by one or more Lenders under this Agreement or any of the Finance Documents,
    - (i) the Commitment of such Shareholder Affiliate and any associated participation of such Shareholder Affiliate in a Loan shall be deemed to be zero; and
    - (ii) such Shareholder Affiliate shall be deemed not to be a Lender;
  - (B) in relation to any meeting or conference call to which all or any number of Lenders are invited to attend or participate, it shall not attend or participate in the same if so requested by
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the Facility Agent or, unless the Facility Agent otherwise agrees, be entitled to receive the agenda or any minutes of the same; and

(C) it shall not, unless the Facility Agent otherwise agrees, be entitled to receive any report or other document prepared at the behest of, or on the instructions of, the Facility Agent or one or more of the Lenders.

**37. COUNTERPARTS**

(A) This Agreement may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart.

(B) Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute one and the same instrument.

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**PART 11**  
**GOVERNING LAW AND ENFORCEMENT**

**38. 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.

**39. JURISDICTION**

**39.1 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**”).

**39.2 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.

**39.3 Concurrent jurisdiction**

This clause 39 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.

**40. SERVICE OF PROCESS**

(A) Without prejudice to any other mode of service allowed under any relevant law, each of the Obligor:

(i) irrevocably appoints Trusec Limited of 2 Lambs Passage, London, EC1Y 8BB (the “**Process Agent**”) as its agent for service of process in relation to any Dispute before the English courts in connection with any Finance Document;

(ii) irrevocably agrees that any Service Document may be sufficiently and effectively served on it in connection with any Dispute in England and Wales by service on the Process Agent (or any replacement agent appointed pursuant to paragraph (B) of this clause 40; and

(iii) irrevocably agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

(B) If the agent referred to in paragraph (A) of this clause 40 (or any replacement agent appointed pursuant to this paragraph (B)) at any time ceases for any reason to act as such, as the case may be, each Obligor shall as soon as reasonably practicable appoint a replacement

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agent to accept service having an address for service in England or Wales and shall notify the Facility Agent of the name and address of the replacement agent. Failing such appointment and notification, the agent referred to in paragraph (A) of this clause 40 (or any replacement agent appointed pursuant to this paragraph (B)) shall continue to be authorised to act as agent for service of process in relation to any proceedings before the English courts on behalf of the relevant party and shall constitute good service.

(C) Any document addressed in accordance with paragraph (A) of this clause 40 shall be deemed to have been duly served if:

(i) left at the specified address, when it is left; or

(ii) sent by first class post, two clear Business Days after posting.

(D) For the purposes of this clause 40 (*Service of Process*), “**Service Document**” means a writ, summons, order, judgment or other document relating to or in connection with any Dispute. Nothing contained herein shall affect the right to serve process in any other manner permitted by law.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

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**Schedule 1**  
**The Original Lender**

<b>Original Lender</b>	<b>Commitment (USD)</b>
Societe Generale, London Branch	100,000,000

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**Schedule 2**  
**Conditions Precedent**

**Part I**  
**Conditions Precedent to First Utilisation**

1. Provision of each of the following Finance Documents, duly executed by each of the parties to them:
    - (i) this Agreement;
    - (ii) the Charge.
  2. Provision of certified copies of each Obligor's (excluding the Original Guarantor) constitutional documents and the director and shareholder corporate resolutions authorising entry into and performance of the Finance Documents to which they are a party and certification as to solvency.
  3. Provision by each Obligor (excluding the Original Guarantor) of the specimen signatures of the persons authorised by each of the Obligor's corporate resolutions referred to at paragraph 2 above to execute the Finance Documents and all other documents and notices required in connection with such Finance Documents.
  4. Receipt by the Facility Agent of appropriate legal opinions from Maples and Calder (Cayman Islands Counsel to the Original Borrower) in relation to the Original Borrower and Conyers Dill & Pearman Limited in relation to the Original Guarantor (special Bermuda legal Counsel to the Original Guarantor).
  5. The Charge entered into pursuant to condition precedent 1 above is perfected and fully valid.
  6. Provision of a certificate from the Borrower that all Required Approvals on the date of the proposed Utilisation have been obtained (including a schedule of all such Required Approvals).
  7. Provision of such documentation and other evidence to the satisfaction by the Facility Agent and the Lenders of their respective "know your customer" checks or similar identification procedures.
  8. Provision by the Original Borrower of a schedule detailing all Pre-existing Letters of Credit which it anticipates will be migrated to the Facility (included at Schedule 10 (*Pre-existing Letters of Credit*)).
  9. Provision by the Original Borrower of a duly signed and executed Fee Letter detailing the arrangement fee for the Facility.
  10. Evidence that all sums required to be deposited into the LC Cash Collateral Accounts pursuant to clause 6.14 (Cash Collateralisation) have been deposited.
  11. Provision of a certificate from the Borrower that the Repeating Representations to be made by each Obligor are, in the light of the facts and circumstances then existing, true
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and correct in all material respects (or, in the case of a Repeating Representation that contains a materiality concept, true and correct in all respects).

**Part II**  
**Conditions Precedent Required to be Delivered by an Additional Obligor**

1. Provision of an Accession Letter, duly executed by the Additional Obligor and the Borrower.
  2. Provision of certified copies of the Additional Obligor's constitutional documents and certificates of incorporation (or equivalent).
  3. A copy of a resolution of the board of directors of the Additional Obligor approving the terms of, and the transactions contemplated by, the Accession Letter and the Finance Documents and resolving that one or more specified persons execute the Accession Letter and any other documents and notices in connection with the Finance Documents.
  4. A specimen signature of each person authorised to execute the Accession Letter and any other documents and notices in connection with the Finance Documents.
  5. A certificate of the Additional Obligor (signed by a director) confirming that borrowing or guaranteeing or securing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on it to be exceeded.
  6. A certificate of an Authorised Signatory of the Additional Obligor certifying that each copy document listed in this Part II of Schedule 2 ( *Conditions Precedent*) is correct, complete and in full force and effect as at a date no earlier than the date of the Accession Letter.
  7. A copy of any Authorisation or other document, opinion or assurance which the Facility Agent considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Accession Letter or for the validity and enforceability of any Finance Document.
  8. If available, the latest audited financial statements of the Additional Obligor.
  9. Receipt by the Facility Agent of any appropriate legal opinions.
  10. If the proposed Additional Obligor is incorporated in a jurisdiction other than England and Wales, evidence that the process agent specified in clause 40 (*Service of Process*), if not an Obligor, has accepted its appointment in relation to the proposed Additional Obligor.
  11. Evidence that all sums required to be deposited into the LC Cash Collateral Accounts pursuant to clause 6.14 (Cash Collateralisation) have been deposited.
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**Schedule 3  
Utilisation Request**

From: **KOSMOS ENERGY CREDIT INTERNATIONAL** (the “**Borrower**”)

To: **SOCIETE GENERALE, LONDON BRANCH** (the “**Facility Agent**”)

Dated:

Dear Sirs

**KOSMOS ENERGY CREDIT INTERNATIONAL — Facility Agreement  
dated [            ] (the “Agreement”)**

1. We refer to the Agreement. This is a Utilisation Request in respect of a Utilisation under the Facility. Terms defined in the Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
  2. We wish for a Letter of Credit to be issued under the Facility in the form attached in the Schedule to this Utilisation Request and on the following terms:  

Proposed Utilisation Date:	[            ]	(or, if that is not a Business Day, the next Business Day)
Amount:	[            ]	
Currency:	[            ]	
Issued on behalf of:	[            ]	
  3. We hereby certify that:
    - (a) no Default or Event of Default is continuing or will result from the proposed Letter of Credit being issued;
    - (b) the making of the Utilisation would not result in the aggregate amount outstanding under the Facility exceeding the Total Commitment; and
    - (c) the Repeating Representations are, in the light of the facts and circumstances existing on the date hereof, true and correct in all material respects (or, in the case of a Repeating Representation that contains a materiality concept, true and correct in all respects).
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5. This Utilisation Request is irrevocable and is a Finance Document.

Yours faithfully

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Authorised Signatory for  
**KOSMOS ENERGY CREDIT INTERNATIONAL**

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**SCHEDULE**  
**Form of Letter of Credit**

[Attach form of Letter of Credit]

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**Schedule 4**  
**Form of Transfer Certificate**

To: **SOCIETE GENERALE, LONDON BRANCH** as the “**Facility Agent**”

From: [the Existing Lender] (the “**Existing Lender**”) and [the New Lender] (the “**New Lender**”)

Dated:

Dear Sirs

**KOSMOS ENERGY CREDIT INTERNATIONAL — Facility Agreement**  
**dated [            ] (the “Agreement”)**

1. We refer to the Agreement. This is a Transfer Certificate. Terms defined in the Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.
  2. We refer to clause 21.6 (*Procedure for transfer*):
    - (a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation all or part of the Existing Lender’s Commitment, rights and obligations referred to in the Schedule in accordance with clause 21.6 (*Procedure for transfer*).
    - (b) The proposed Transfer Date is [            ].
    - (c) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of clause 31.2 (*Addresses*) are set out in the Schedule.
  3. The New Lender expressly acknowledges the limitations on the Existing Lender’s obligations set out in paragraph (C) of clause 21.5 (*Limitation of responsibility of Existing Lenders*).
  4. The New Lender confirms that it is a Qualifying Bank.
  5. The New Lender confirms that it has validly executed a Lender Accession Notice in the form set out at Schedule 7 (*Form of Lender Accession Notice*) to this Agreement.
  6. This Transfer Certificate 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 Transfer Certificate.
  7. This Transfer Certificate is governed by English law.
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**THE SCHEDULE**  
**Commitments/rights and obligations to be transferred**

[Insert relevant details]

*[Facility Office address, fax number and attention details for notices and account details for payments ]*

[Existing Lender]

[New Lender]

By:

By:

This Transfer Certificate is accepted by the Facility Agent and the Transfer Date is confirmed as [        ].

**Societe Generale, London Branch**

By:

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**Schedule 5**  
**Form of Compliance Certificate**

To: **SOCIETE GENERALE, LONDON BRANCH** (the “**Facility Agent**”)

From: **KOSMOS ENERGY CREDIT INTERNATIONAL** (the “**Borrower**”)

Dated:

Dear Sirs

**KOSMOS ENERGY CREDIT INTERNATIONAL — Facility Agreement**  
**dated [            ] (the “Agreement”)**

1. We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
2. We confirm that the financial statements supplied to the Facility Agent pursuant to clause 17.8 (*Financial statements and other factual information*) of the Agreement:
  - (A) are certified by an Authorised Signatory of the Borrower as a true and correct copy; and
  - (B) [give a true and fair view of](1) / [fairly represent](2) the financial condition of the Borrower for the period to the date on which those financial statements were drawn up.
3. We confirm that as at [            ], being the last occurring Calculation Date:
  - (A) the debt cover ratio was [            ]; and
  - (B) the interest cover ratio was [            ].
4. We set out below the calculations establishing the figures in paragraph 2 above:  
[            ]
5. We confirm that as at [            ], so far as we are aware having made diligent enquiries, no Default has occurred or is continuing. (3)

Yours faithfully

\_\_\_\_\_  
(1) Insert if audited.

(2) Insert if unaudited.

(3) Note — If this statement cannot be made, the certificate should identify any Default that has occurred or is continuing and the action taken, or proposed to be taken, to remedy it.

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Authorised Signatory for  
**KOSMOS ENERGY CREDIT INTERNATIONAL**

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Authorised Signatory for  
**KOSMOS ENERGY CREDIT INTERNATIONAL**

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**Schedule 6**  
**Form of Confidentiality Undertaking**

To: [Purchaser's details]

Re:

**KOSMOS ENERGY CREDIT INTERNATIONAL** (the "**Company**") and its up to USD 150 million revolving letter of credit facility dated [ ] 2013 (the "**Facility**")

[insert date]

Dear Sirs

We understand that you are considering participating in the Facility. In consideration of us agreeing to make available to you certain information, by your signature of a copy of this letter you agree as follows:

1. *Confidentiality Undertaking:* You undertake:
    - (A) to keep the Confidential Information confidential and not to disclose it to anyone except as provided for by paragraph 2 below and to ensure that the Confidential Information is protected with security measures with a degree of care not less than that which you would apply to your own confidential information;
    - (B) to keep confidential and not disclose to anyone except as provided for by paragraph 2 below the fact that the Confidential Information has been made available or that discussions or negotiations are taking place or have taken place between us;
    - (C) to use the Confidential Information only for the Permitted Purpose;
    - (D) to ensure that any person to whom you pass any Confidential Information in accordance with paragraph 2 (unless disclosed under paragraph 2(B) below) acknowledges and complies with the provisions of this letter as if that person were also a party to it; and
    - (E) not to make enquiries in relation to the Confidential Information of any other person, whether a third party or any member of the Group or any of their officers, directors, employees or professional advisers, save for such officers, directors, employees or professional advisers as may be expressly nominated by us for this purpose, provided that this paragraph shall not prevent or restrict you from conducting and completing all necessary and appropriate due diligence in accordance with your normal credit and underwriting approval processes and as required to be performed in order to obtain any requisite credit or underwriting approvals in relation to your possible participation in the Facility.
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2. *Permitted Disclosure:* We agree that you may disclose Confidential Information:
- (A) to members of the Participant Group and their officers, directors, employees, consultants and professional advisers but only to the extent necessary for the proper fulfilment of the Permitted Purpose, provided that:
    - (i) such information is disclosed strictly on a need-to-know basis and provided that the Confidential Information may not be disclosed to any person in the Participant Group who is not working directly on matters concerning your participation in the Facility; and
    - (ii) appropriate information barriers or other procedures as may be necessary are in place to ensure there can be no unauthorised disclosure of, or access to, the Confidential Information to any such person referred to in subparagraph (i) above;
  - (B) (i) where required by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body,  
(ii) where required by the rules of any stock exchange on which the shares or other securities of any member of the Participant Group are listed or (iii) where required by the laws or regulations of any country with jurisdiction over the affairs of any member of the Participant Group; or
  - (C) with our prior written consent.
3. *Notification of Required or Unauthorised Disclosure:* You agree (to the extent permitted by law) to inform us of the full circumstances of any disclosure under paragraph 2(B) (in advance where reasonable and practicable) or immediately upon becoming aware that Confidential Information has been disclosed in breach of this letter.
4. *Return of Copies:* If we so request in writing, you shall return all Confidential Information supplied to you by us or any member of the Group and destroy or permanently erase all copies of Confidential Information made by you and use all reasonable endeavours to ensure that anyone to whom you have supplied any Confidential Information destroys or permanently erases such Confidential Information and any copies made by them, in each case save to the extent that you or the recipients are required to retain any such Confidential Information by any applicable law, rule or regulation or by any competent judicial, governmental, supervisory or regulatory body, or where the Confidential Information has been disclosed in accordance with paragraph 2(B) above.
5. *Continuing Obligations:* The obligations in the preceding paragraphs of this letter are continuing and, in particular, shall survive the termination of any discussions or negotiations between you and us, irrespective of their outcome. Notwithstanding the previous sentence, the obligations in this letter shall cease 12 months after you have returned all Confidential Information and destroyed or permanently erased all copies of Confidential Information made by you to the extent required pursuant to paragraph 4 above.
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6. *No Representation; Consequences of Breach, etc:* You acknowledge and agree that:
- (A) neither we nor any of our officers, employees or advisers, and no other member of the Group and none of the officers, employees or advisers of any member of the Group (each a “**Relevant Person**”), (i) make any representation or warranty, express or implied, as to, or assume any responsibility for, the accuracy, reliability or completeness of any of the Confidential Information or any other information supplied by us or any member of the Group or the assumptions on which it is based or (ii) shall be under any obligation to update or correct any inaccuracy in the Confidential Information or any other information supplied by us or any other member of the Group or be otherwise liable to you or any other person in respect of the Confidential Information or any such information; and
  - (B) we and other members of the Group may be irreparably harmed by the breach of the terms of this letter and damages may not be an adequate remedy; each Relevant Person may be granted an injunction or specific performance for any threatened or actual breach of the provisions of this letter by you or any other person.
7. *Inside Information:* You acknowledge that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation relating to insider dealing and you undertake not to use any Confidential Information for any unlawful purpose. As a result of being given the Confidential Information you may well become insiders and, therefore, be unable to take certain actions which you would otherwise be able to take.
8. *No Waiver; Amendments, etc:* This letter shall not affect any other obligation owed by you to any member of the Group. No failure or delay in exercising any right, power or privilege under this letter will operate as a waiver thereof nor will any single or partial exercise of any right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privileges under this letter. The terms of this letter and your obligations under this letter may only be amended or modified by written agreement between us and you.
9. *Nature of Undertakings:* The undertakings and acknowledgements given by you under this letter are given to us and (without implying any fiduciary obligations on our part) are also given for the benefit of each other member of the Group.
10. *Third party rights:*
- (A) Each other member of the Group and each Relevant Person (each a “**Third Party**”) may enforce the terms of this letter by virtue of the Contracts (Rights of Third Parties) Act 1999 (the “**Third Parties Act**”). This paragraph 10(A) confers a benefit on each Third Party, and, subject to the remaining provisions of this paragraph 10, is intended to be enforceable by each Third Party by virtue of the Third Parties Act.
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- (B) Subject to paragraph 10(A), a person who is not a party to this letter has no right under the Third Parties Act to enforce or enjoy the benefit of any term of this letter.
- (C) Notwithstanding any provisions of this letter, the parties to this letter do not require the consent of any person to rescind or vary this letter at any time.

- 11. *Counterparts*: This letter may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart. Each counterpart shall constitute an original of this letter, but all the counterparts shall together constitute one and the same instrument.
- 12. *Governing Law and Jurisdiction*: Any matter, claim or dispute, whether contractual or non-contractual, arising out of or in connection with this letter (including the agreement constituted by your acknowledgement of its terms), is to be governed by and determined in accordance with English law, and the parties submit to the non-exclusive jurisdiction of the English courts.
- 13. *Definitions and Construction*: In this letter (including the acknowledgement set out below):

“**Confidential Information**” means any and all information relating to the Company, the Group and the Facility, provided to you by us or any member of the Group or any of our affiliates or advisers, in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information and information regarding all discussions and negotiations between us (including information regarding the outcome of such discussions or negotiations), but excludes information that (a) is or becomes public knowledge other than as a direct or indirect result of any breach of this letter or (b) is known by you before the date the information is disclosed to you by us or any member of the Group or any of our affiliates or advisers or is lawfully obtained by you after that date, other than from a source which is connected with the Group and which, in either case, as far as you are aware, has not been obtained in violation of, and is not otherwise subject to, any obligation of confidentiality;

“**Group**” means, in respect of a person, that person and that person’s Holding Companies and each of their respective Subsidiaries;

“**Holding Company**” means, in relation to a company, any other company in respect of which it is a Subsidiary;

“**Participant Group**” means you and each of your Holding Companies and Subsidiaries;

“**Permitted Purpose**” means considering and evaluating whether to enter into contracts with us in relation to your participation in the Facility; and

“**Subsidiary**” means a subsidiary within the meaning of section 1159 of the Companies Act 2006.

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Please acknowledge your agreement to the above by signing and returning the enclosed copy.

Yours faithfully

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For and on behalf of [*Seller's details*]

To: [*Seller's details*]

We acknowledge and agree to the above:

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For and on behalf of [*Purchaser's details*]

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**Schedule 7**  
**Form of Lender Accession Notice**

To: **SOCIETE GENERALE, LONDON BRANCH** as Facility Agent

From: [New Lender / Additional Lender]

Dated:

Dear Sirs

**Kosmos Energy Credit International - Facility Agreement**  
**dated [                      ] 2013 (the "Facility Agreement")**

1. We refer to the Facility Agreement. This is a Lender Accession Notice. Terms defined in the Facility Agreement have the same meaning in this Lender Accession Notice unless given a different meaning in this Lender Accession Notice.
  2. [New Lender / Additional Lender] agrees:
    - (a) to be bound by the terms of the Finance Documents as a Lender pursuant to clause [21.6 ( *Procedure for transfer*)] [3.2 ( *Additional Commitments*)] of the Facility Agreement.
  3. [New Lender's / Additional Lender's] Commitment is USD [                      ].
  4. [New Lender's / Additional Lender's] administrative details are as follows:

Account details:	[                      ]
Facility Office address:	[                      ]
Telephone no.:	[                      ]
Fax no.:	[                      ]
Attention:	[                      ]
  5. This Lender Accession Notice 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 Lender Accession Notice.
  6. This Lender Accession Notice is governed by English law.
  7. This Lender Accession Notice has been delivered as a deed on the date stated at the beginning of this Lender Accession Notice.
-

[New Lender / Additional Lender]

By:

This Lender Accession Notice is accepted by the Facility Agent and the [Transfer Date / Additional Commitment Date] is confirmed as [ ].

**Societe Generale, London Branch**

By:

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- (C) The LC Issuing Bank will not be obliged to make a payment under this Letter of Credit if as a result the aggregate of all payments made by it under this Letter of Credit would exceed the Total L/C Amount.

**3. Expiry**

- (A) The LC Issuing Bank will be released from its obligations under this Letter of Credit on the date (if any) notified by the Beneficiary to the LC Issuing Bank as the date upon which the obligations of the LC Issuing Bank under this Letter of Credit are released.
- (B) Unless previously released under paragraph (A) above, on [ ] p.m. ([London] time) on the Expiry Date the obligations of the LC Issuing Bank under this Letter of Credit will cease with no further liability on the part of the LC Issuing Bank except for any Demand validly presented under the Letter of Credit that remains unpaid.
- (C) The cancellation/release of this Letter of Credit can be indicated by return of the original to the LC Issuing Bank or by way of a formal release letter issued by the Beneficiary. In any case it will be rendered null and void after the Expiry Date whether or not it is returned to the LC Issuing Bank.
- (D) [The Letter of Credit shall be deemed to be automatically extended from year to year, without amendment, for successive periods of one year each from the present or any future Expiry Date hereof unless, not less than 90 days prior to the present or any future Expiry Date, the LC Issuing Bank shall notify the Beneficiary (at the address set out above or such other address as the Beneficiary may advise the Bank by notice in writing to the address set out above) in writing by courier that the LC Issuing Bank elects not to consider this Letter of Credit renewed for any such additional period. Upon receipt by the Beneficiary of such notice, the Beneficiary may draw the Total L/C Amount by means of a Demand accompanied by the original of this Letter of Credit.]

**4. Payments**

All payments under this Letter of Credit shall be made in [ ] and for value on the due date to the account of the Beneficiary specified in the Demand.

**5. Delivery of demand**

Each Demand shall be in writing, and, unless otherwise stated, may be made by letter, sent by registered mail or by courier on your letterhead, with the blanks appropriately completed, purportedly signed by your authorised officers bearing original handwritten signatures and must be received in legible form by the LC Issuing Bank at its address and by the particular department or officer (if any) as follows:

[ ]

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**6. Assignment**

The Beneficiary's rights under this Letter of Credit may not be assigned or transferred.

**7. Amendment**

The Letter of Credit may be amended only by written instrument signed by the LC Issuing Bank and the Beneficiary.

**8. ISP 98**

Except to the extent it is inconsistent with the express terms of this Letter of Credit, this Letter of Credit is subject to the International Standby Practices (ISP 98), International Chamber of Commerce Publication No. 590.

**9. Restricted Entity**

For the avoidance of doubt, the LC issuing bank shall be under no obligation to make any payment or pay any compensation to a Restricted Entity.

**9. Governing law**

This Letter of Credit is governed by [English law].

**10. Jurisdiction**

The courts of [England] have exclusive jurisdiction to settle any dispute arising out of or in connection with this Letter of Credit.

Yours faithfully

[LC Issuing Bank]

By:

---

**SCHEDULE**  
**FORM OF DEMAND**

To: [LC Issuing Bank]

Date:

Dear Sirs

**Standby Letter of Credit no. [ ] issued in favour of [BENEFICIARY] (the "Letter of Credit")**

We refer to the Letter of Credit. Terms defined in the Letter of Credit have the same meaning when used in this Demand.

1. We certify that the sum of [ ] is due [and has remained unpaid for at least [ ] Business Days] [under [set out underlying contract or agreement]]. We therefore demand payment of the sum of [ ].
2. The amount specified in paragraph 1 is not in excess of the Total L/C Amount.
3. Payment should be made to the following account:  
  
Name:  
  
Account number:  
  
Bank:
4. The date of this Demand is not later than the Expiry Date.

Yours faithfully

(Authorised Signatory)

(Authorised Signatory)

For

[BENEFICIARY]

---

**Schedule 9**  
**Form of Renewal or Extension Request**

From: **KOSMOS ENERGY CREDIT INTERNATIONAL** (the “**Borrower**”)

To: **SOCIETE GENERALE, LONDON BRANCH** (the “**Facility Agent**”)

Dated:

Dear Sirs

**KOSMOS ENERGY CREDIT INTERNATIONAL - Facility Agreement**  
**dated [            ] (the “Agreement”)**

1. We refer to the Agreement. This is a Renewal or Extension Request in respect of a Letter of Credit under the Facility. Terms defined in the Agreement have the same meaning in this Renewal or Extension Request unless given a different meaning in this Renewal or Extension Request.
  2. We wish for a Letter of Credit to be issued under the Facility on the following terms:
    - Current Beneficiary: [            ]
    - Current expiry date: [            ]
    - Current amount: [            ]
    - Letter of Credit number: [            ]
    - Proposed expiry date: [            ] (or, if that is not a Business Day, the next Business Day)
    - Proposed Amount: [            ] or, if less, the Total Available Commitment
    - Proposed Currency: [            ]
    - To be issued on behalf of: [            ]
  3. We hereby certify that:
    - (a) no Event of Default is continuing or will result from the proposed Letter of Credit being issued;
    - (b) the making of the Utilisation would not result in the aggregate principal amount outstanding under the Facility exceeding the Total Commitments; and
    - (c) the Repeating Representations are, in the light of the facts and circumstances existing on the date hereof, true and correct in all material respects (or, in the case of a Repeating Representation that contains a materiality concept, true and correct in all respects).
-

5. This Renewal or Extension Request is irrevocable and is a Finance Document.

Yours faithfully

---

Authorised Signatory for  
**KOSMOS ENERGY CREDIT INTERNATIONAL**

---



**Schedule 10  
Pre-existing Letters of Credit**

<b>Issuing Bank</b>	<b>Beneficiary</b>	<b>Amount and Currency</b>	<b>Expiry Date</b>	<b>Reference/ Details</b>	<b>Entity originally issued on behalf of</b>	<b>Entity issued on behalf of going forward</b>
Societe Generale, London Branch	A Monsieur le Ministre charge des Hydrocarbures Bruts, Republique Islamique de Mauritanie	USD 9,000,000	15/12/2016	Block C8	Kosmos Energy Mauritania	Kosmos Energy Mauritania
Societe Generale, London Branch	A Monsieur le Ministre charge des Hydrocarbures Bruts, Republique Islamique de Mauritanie	USD 9,000,000	15/12/2016	Block C12	Kosmos Energy Mauritania	Kosmos Energy Mauritania
Societe Generale, London Branch	A Monsieur le Ministre charge des Hydrocarbures Bruts, Republique Islamique de Mauritanie	USD 9,000,000	15/12/2016	Block C13	Kosmos Energy Mauritania	Kosmos Energy Mauritania

**Schedule 11**  
**Details of the LC Cash Collateral Accounts**

Name:	Kosmos Energy Credit International
Number:	10172726661

Name:	Kosmos Energy Credit International
Number:	10272726661

Name:	Kosmos Energy Credit International
Number:	10372726661

Name:	Kosmos Energy Credit International
Number:	10472726661

Name:	Kosmos Energy Credit International
Number:	10572726661

Name:	Kosmos Energy Credit International
Number:	10672726661

Name:	Kosmos Energy Credit International
Number:	10772726661

Name:	Kosmos Energy Credit International
Number:	10872726661

Name:	Kosmos Energy Credit International
Number:	10972726661

Name:	Kosmos Energy Credit International
Number:	11072726661

Name:	Kosmos Energy Credit International
Number:	11172726661

Name:	Kosmos Energy Credit International
Number:	11272726661

Name:	Kosmos Energy Credit International
Number:	11372726661

Name:	Kosmos Energy Credit International
Number:	11472726661

Name:	Kosmos Energy Credit International
Number:	11572726661

Name:	Kosmos Energy Credit International
Number:	11672726661

Name:	Kosmos Energy Credit International
Number:	11772726661

Name:	Kosmos Energy Credit International
Number:	11872726661

Name:	Kosmos Energy Credit International
Number:	11972726661

Name:	Kosmos Energy Credit International
Number:	12072726661

Name:	Kosmos Energy Credit International
Number:	12172726661

Name:	Kosmos Energy Credit International
Number:	12272726661

Name:	Kosmos Energy Credit International
Number:	12372726661

Name:	Kosmos Energy Credit International
Number:	12472726661

Name:	Kosmos Energy Credit International
Number:	12572726661





Facility Agent

**SOCIETE GENERALE, LONDON BRANCH**

By: /s/ Christophe Roux

Name: Christophe Roux  
Title: Managing Director

Security Agent

**SOCIETE GENERALE, LONDON BRANCH**

By: /s/ Christophe Roux

Name: Christophe Roux  
Title: Managing Director

Account Bank

**SOCIETE GENERALE, LONDON BRANCH**

By: /s/ Christophe Roux

Name: Christophe Roux  
Title: Managing Director

---



DATED 3 JULY 2013

KOSMOS ENERGY CREDIT INTERNATIONAL

- and -

SOCIETE GENERALE, LONDON BRANCH

---

**CHARGE ON CASH DEPOSITS  
AND ACCOUNT BANK AGREEMENT**

---

Slaughter and May  
One Bunhill Row  
London  
EC1Y 8YY

(SRG/JKW/TXI)

515738674

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**CHARGE ON CASH DEPOSITS**

**Date: 3 JULY 2013**

**PARTIES:**

- (1) **KOSMOS ENERGY CREDIT INTERNATIONAL** a company incorporated in the Cayman Islands whose registered number is 256364 and whose registered office is at PO Box 32322, 4th Floor, Century Yard, Cricket Square, Elgin Avenue, George Town, Grand Cayman, KY1-1209, Cayman Islands (the “**Company**” or “**KECI**”); and
  - (2) **SOCIETE GENERALE, LONDON BRANCH** located at SG House, 41 Tower Hill, London, EC2N 4SG (the “**Security Agent**” or “**Account Bank**” or “**Facility Agent**”).
-

**PART 1**  
**INTERPRETATION**

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

Terms defined in clause 1.1 (*Definitions*) of the letter of credit facility agreement dated on or about the date of this Deed and made by Kosmos Energy Credit International, Kosmos Energy Ltd., the Original Lenders, the Security Agent, the Facility Agent and the Account Bank (the “**Facility Agreement**”), shall, unless otherwise defined herein, have the same meaning when used in this Deed.

**1.2 Additional definitions**

In this Deed, unless otherwise specified:

“**Accounts**” means the interest-bearing US Dollar deposit accounts held with the Account Bank, details of which are provided in Schedule 1 ( *Details of the Accounts* ).

“**Account Bank Liability**” means any liability or obligation of KECI to indemnify the Account Bank or pay any amount under this Deed or in respect of any failure to perform, or breach of, KECI’s obligations under this Deed or for any liability in contract, tort or otherwise connected with the performance of KECI’s obligations under this Deed.

“**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.

“**Authorised Signatory**” means, in relation to any entity entitled to give or countersign an Instruction, an entity notified pursuant to clause 13.2(E) (*Instructions*) to the Account Bank by such first-mentioned entity from time to time as being authorised to sign or, as the case may be, countersign an Instruction on behalf of such first-mentioned entity, and in respect of whom a certified copy of the authorising resolution and specimen signature have been provided to the Account Bank.

“**Business Day**” means a day (other than a Saturday or a Sunday) on which banks are open for business in London.

“**Cash Collateral**” has the meaning given to this term in the Facility Agreement.

“**Charge**” means the security interests constituted or expressed to be constituted in favour of the Security Agent by or pursuant to this Deed.

“**Costs and Expenses**” means costs, charges, losses, liabilities, expenses and other sums (including legal, accountants’ and other professional fees) and any taxes thereon.

“**Default Notice**” means a notice in writing given by the Facility Agent to the Account Bank and KECI substantially in the form of Part I of Schedule 2 (*Details and Enforcement Notices*).

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“**Default Revocation Notice**” means a notice in writing given by the Facility Agent to the Account Bank and KECI substantially in the form of Part II of Schedule 2 (*Details and Enforcement Notices*).

“**Deposit**” means all credit balances now or at any time in the future on the Accounts, all debts from time to time represented by such credit balances and all other rights of the Company accruing or arising in relation to the Accounts.

“**Deposit Agreements**” means the agreements signed on or about the date of this Deed (or on any future date provided that they are in substantially the same form as those signed on the date of this Deed) between KECI and Societe Generale, London Branch which detail the terms and conditions which apply to the Accounts (as defined in the Charge).

“**Dissolution**” means an event or circumstance as described in clause 20.8 (*Insolvency Proceedings*) of the Facility Agreement.

“**Dispute**” has the meaning given to it in clause 28 (*Jurisdiction*).

“**Enforcement Event**” means:

- (A) any Event of Default in respect of which a written notice has been given to the Company pursuant to clause 20.15 (*Acceleration*) of the Facility Agreement; or
- (B)
  - (i) where at any time the Borrower has failed to pay to the LC Issuing Bank for the account of each Lender an amount due under clause 6.9(B) (*Claims under a Letter of Credit*) of the Facility Agreement; and
  - (ii) the LC Issuing Bank (acting reasonably), is unable to recover the amount due from the LC Cash Collateral Accounts (either at the instruction of the Borrower or otherwise) within three Business Days of such non-payment pursuant to clause 6.9(B) of the Facility Agreement.

“**Event of Default**” means any event or circumstance specified as such in the Facility Agreement.

“**Group**” means the Original Guarantor or any Additional Guarantor and its direct and indirect subsidiaries.

“**Instruction**” means:

- (a) an instruction transmitted in accordance with operating procedures agreed in accordance with clause 13.3 (*Operating procedures*); or
  - (b) a Default Notice; or
  - (c) a Default Revocation Notice; or
-

(d) a Notice of an Enforcement Event.

“**Notice of an Enforcement Event**” means a notice in writing from the Security Agent to the Account Bank and KECI substantially in the form of Part III of Schedule 2 (*Details and Enforcement Notices*).

“**Secured Obligations**” means all present and future obligations and liabilities of the Company (whether actual or contingent and whether owed jointly or severally or in any other capacity whatever) which are, or are expressed to be, or may become, due, owing or payable to the Secured Parties under or in connection with the Finance Documents (as such documents may be varied, amended, waived, released, novated, supplemented, extended, restated or replaced from time to time, in each case, however fundamentally), together with all costs, charges and expenses incurred by the Secured Parties which are, or are expressed to be, or may become due, owing or payable by the Company under or in connection with the Facility Agreement.

“**Tax**” includes any present or future tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest in connection with any failure to pay or delay in paying any of the same) and “**Taxes**” shall be construed accordingly.

### 1.3 Construction of Particular Terms

Unless a contrary intention appears, in this Deed the provisions of clause 1.2 (*Construction*) of the Facility Agreement shall apply as if set out in full in this Deed, save that references to the Facility Agreement shall be construed as references to this Deed and in addition:

Unless otherwise specified, any reference to:

- (A) “**assets**” includes properties, revenues and rights of every kind, present, future and contingent, and whether tangible or intangible;
  - (B) a “**company**” includes any company, corporation or other body corporate, wherever and however incorporated or established;
  - (C) “**this Deed**” or any other agreement or instrument is a reference to this deed or other agreement or instrument as it may have been amended, supplemented, replaced or novated from time to time and includes a reference to any document which amends, supplements, replaces, novates or is entered into, made or given pursuant to or in accordance with any of the terms of this Deed or, as the case may be, the relevant deed, agreement or instrument;
  - (D) “**law**” includes any present or future common or customary law, principles of equity and any constitution, decree, judgment, decision, legislation, statute, order, ordinance, regulation, bye-law or other legislative measure in any jurisdiction or any present or future official directive, regulation, guideline, request, rule, code of practice, treaty or requirement (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the general practice of a person to whom the directive, regulation, guideline, request, rule, code of practice, treaty or requirement is intended to apply) of any
-

governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

(E) “**rights**” includes all rights, title, benefits, powers, privileges, interests, claims, authorities, discretions, remedies, liberties, easements, quasi-easements and appurtenances (in each case, of every kind, present, future and contingent); and

(F) “**security**” includes any mortgage, charge, pledge, lien, security assignment, hypothecation or trust arrangement for the purpose of providing security and any other encumbrance or security interest of any kind having the effect of securing any obligation of any person (including the deposit of moneys or property with a person with the intention of affording such person a right of lien, set-off, combination or counter-claim) and any other agreement or any other type of arrangement having a similar effect (including any “flawed asset” or “hold back” arrangement) and “**security interest**” shall be construed accordingly.

#### **1.4 Interpretation of this Deed**

(A) Unless a contrary indication appears, a reference to any party or person shall be construed as including its and any subsequent successors in title, permitted transferees and permitted assigns, in each case in accordance with their respective interests.

(B) Unless a contrary indication appears, a reference to a time of day shall be construed as referring to London time.

(C) The terms “include”, “includes” and “including” shall be construed without limitation.

(D) References in this Deed to any Clause or Schedule shall be to a clause or schedule contained in this Deed.

(E) Clause and Schedule headings are for ease of reference only and shall be ignored in construing this Deed.

(F) Unless a contrary indication appears, references to any provision of any law are to be construed as referring to that provision as it may have been, or may from time to time be, amended or re-enacted, and as referring to all bye-laws, instruments, orders, decrees, ordinances and regulations for the time being made under or deriving validity from that provision.

(G) An Enforcement Event is “**continuing**” if it has not been remedied or waived.

#### **1.5 Third party rights**

(A) Save as otherwise provided in this Deed, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

(B) Notwithstanding any term of this Deed, the consent of any person who is not a party is not required to rescind or vary this Deed at any time.

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**PART 2**  
**CHARGE ON CASH DEPOSITS AND THE ACCOUNTS**

**2. OBLIGATION TO PAY THE SECURED OBLIGATIONS**

The Company undertakes to the Security Agent as trustee for the Secured Parties to perform, observe, pay and discharge all Secured Obligations when due and payable and, upon demand by the Security Agent, pay those Secured Obligations which are due in accordance with the Finance Documents but remain unpaid.

**3. CHARGE**

As continuing security for the full and punctual payment, performance and discharge of the Secured Obligations, but without prejudice to any other rights of the Security Agent under this Deed, the Company, with full title guarantee and free of any other security interest, charges all its right, title and interest from time to time in and to the Deposit and the Accounts by way of first fixed charge in favour of the Security Agent.

**4. PERFECTION OF SECURITY**

**4.1 Notice of charge**

The execution of this Deed by the Company and the Security Agent shall constitute notice to the Security Agent of the charge over the Deposit and Accounts.

**4.2 Further assurances**

The Company shall (at its own cost) promptly take all action necessary or desirable to:

- (A) ensure that the Charge is and remains valid, legally binding and enforceable;
- (B) perfect, preserve or protect the Charge and its priority; and
- (C) facilitate the exercise of any and all of the rights, powers and discretions vested or intended to be vested in the Security Agent by or pursuant to this Deed and to facilitate the realisation of the Deposit,

including the execution of all such documents, transfers, conveyances, assignments and assurances in respect of the Deposit, and the giving of all such notices, orders, instructions and directions as the Security Agent may reasonably consider necessary from time to time. The obligations of the Company under this clause 4.2 (*Further assurances*) shall be in addition to and not in substitution for the covenants for further assurance deemed to be included in this Deed by virtue of the Law of Property (Miscellaneous Provisions) Act 1994.

---



## **5. NATURE AND PROTECTION OF SECURITY**

### **5.1 Continuing security**

The Charge is continuing and extends to the ultimate balance of the Secured Obligations from time to time unless and until discharged by the Security Agent in accordance with clause 8 (*Release*) or clause 24.17 (*Winding up of trust*) of the Facility Agreement, regardless of any intermediate payment, discharge or satisfaction in whole or part.

### **5.2 Additional security**

The security created by this Deed and the rights given to the Security Agent under this Deed shall be cumulative and in addition to and shall not prejudice, or be prejudiced by, any other security or guarantee or any other right, power or remedy which the Security Agent has or may at any time hold in respect of or in connection with any or all of the Secured Obligations. All such rights, powers and remedies may be exercised from time to time as often as the Security Agent may deem expedient.

### **5.3 Immediate recourse**

The Security Agent need not, before exercising any of the rights, title, benefit and interest conferred upon it by this Deed or by law:

- (A) take action or obtain judgment against the Company or any other person in any court; or
- (B) make or file any claim or proof on the rehabilitation, administration, custodianship, receivership, liquidation, winding-up or dissolution of the Company or any other person; or
- (C) enforce or seek to enforce the recovery of the moneys and liabilities hereby secured or enforce or seek to enforce any other security or guarantee.

### **5.4 Waiver of defences**

Without prejudice to the other provisions of this clause 5 (*Nature and protection of security*), neither this Deed nor Charge, its priority, the rights of the Security Agent under or pursuant to this Deed nor the liability of the Company for the Secured Obligations under this Deed shall be prejudiced or affected by:

- (A) any variation, amendment, novation, extension (whether of maturity or not), supplementation or replacement of, or waiver or release granted under or in connection with any Finance Document or other document or any Security Obligations, guarantee or indemnity; or
  - (B) any time, waiver, consent or other indulgence or concession granted, by the Company or other person; or
  - (C) the taking, holding, failure to take or hold, variation, realisation, non-enforcement, non-perfection or release by the Security Agent or any other person of any other security obligation or any guarantee or indemnity or other right; or
-

- (D) any corporate, legal proceeding or other procedure or step taken for or with a view to the rehabilitation, administration, custodianship, receivership, liquidation, winding-up or dissolution of the Company or any other person; or
- (E) any change in the constitution of the Company; or
- (F) any amalgamation, merger or reconstruction that may be effected by the Security Agent with any other person or any sale or transfer of the whole or any part of the assets of the Security Agent to any other person; or
- (G) the existence of any claim, set-off or other right which the Company may have at any time against the Security Agent or other person; or
- (H) the making or absence of any demand for payment or discharge of the Security Agent on the Company or any other person, whether by the Security Agent or any other person; or
- (I) any arrangement or compromise entered into by the Security Agent with the Company or any other person; or
- (J) any incapability or lack of power, authority or legal personality of or dissolution or change in the numbers or status of the Company or any other person; or
- (K) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (L) any other thing done or omitted or neglected to be done by the Security Agent or any other person or any other dealing, fact, matter or thing which, but for this provision, might operate to prejudice or affect any of the security created under this Deed or the liability of the Company for the Secured Obligations.

**5.5 Deferral of rights**

- (A) Until such time as the Charge has been released in accordance with clause 8 (*Release*), the Company will not exercise any rights which it may have by reason of performance by it of its obligations under this Deed:
    - (i) to claim, rank, prove or vote as a creditor of any other party to any of the Finance Documents; or
    - (ii) to receive, claim or have the benefit of any payment, guarantee, indemnity, contribution or security from or on account of any such party (in whole or in part or whether by way of subrogation or otherwise); and/or
    - (iii) of set-off, combination or counter-claim or in relation to any “flawed-asset” or “hold back” arrangement as against any such party.
  - (B) The Company shall hold on trust for, and immediately pay or transfer to, the Security Agent an amount equal to any payment or benefit received by it contrary to paragraph (A) above.
-

(C) If the Company exercises any right of set-off, combination or counter-claim or any rights in relation to any “flawed-asset” or “hold back arrangement” contrary to paragraph (A)(iii) above, it will immediately pay or transfer to the Security Agent an amount equal to the amount set-off, combined or counterclaimed.

(D) The Security Agent shall apply all amounts received pursuant to paragraph (B) and paragraph (C) above in or towards payment of the Secured Obligations or any part thereof in such order in such manner as the Security Agent shall (in its absolute discretion) determine and thereafter in payment of any surplus to the Company or other person entitled to it.

#### **5.6 New account**

At any time after:

(A) the Security Agent receives, or is deemed to be affected by, notice (either actual or constructive) of any subsequent security interest or any disposition affecting the Deposit or Accounts or part thereof or interest therein; or

(B) any corporate, legal proceeding or other procedure or step taken for or with a view to the rehabilitation, administration, custodianship, receivership, liquidation, winding-up or dissolution of the Company,

the Security Agent may open a new account in the name of the Company (whether or not it permits any existing account to continue). If the Security Agent does not open such a new account, it shall nevertheless be treated as if it had done so at the time when the notice was received or was deemed to have been received or, as the case may be, the corporate, legal proceeding or other procedure or step was taken. As from that time, all payments made by the Company to the Security Agent or received shall be credited or treated as having been credited to the new account and will not operate to reduce the amount secured by this Deed at any time.

#### **5.7 Further advances**

The Charge created by this Deed is intended to secure further advances.

### **6. DEALING WITH SECURED ASSETS**

#### **6.1 Negative pledge**

The Company shall not, without the prior written consent of the Security Agent, at any time during the subsistence of this Deed, create or permit to exist any security (other than the Charge) over the Deposit or the Accounts.

#### **6.2 Disposal of assets**

The Company shall not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, transfer, assign, lease, licence or otherwise dispose of any interest in the Deposit or the Accounts (otherwise than pursuant to this Deed or the Facility Agreement).

---

## **7. RESTRICTIONS**

Upon the occurrence of an Enforcement Event which is continuing, or as otherwise prohibited under the Facility Agreement, the Company shall not be entitled to receive, withdraw or otherwise transfer all or any part of the credit balance from time to time on the Accounts and Deposit:

- (A) except with the prior written consent of the Security Agent; or
- (B) unless there are no remaining Secured Obligations and the Security has been discharged in full in accordance with clause 8 (*Release*).

## **8. RELEASE**

### **8.1 Release of deposit**

If the Security Agent is satisfied that:

- (A) all Secured Obligations have been unconditionally and irrevocably paid or discharged in full and the Facility Agreement has been terminated and the Security Agent and the Secured Parties have no further actual or contingent obligations to make advances or provide other financial accommodation to the Borrower or any other party under the Facility Agreement; or
- (B) security or a guarantee for the Secured Obligations, in each case acceptable to the Security Agent, has been provided in substitution for this Deed, or then, subject to the remainder of this clause 8 (*Release*), the Security Agent shall at the request and cost of the Company take whatever action is necessary to release the Deposit and Accounts from the Charge.

### **8.2 Reinstatement**

If the Security Agent reasonably considers, on the basis of independent legal advice, that any payment to, or security or guarantee provided in relation to the Secured Obligations to it is capable of being avoided, reduced or invalidated by virtue of applicable law, notwithstanding any re-assignment or discharge of the Deposit, the liability of the Company under this Deed and the Charge shall continue as if such amounts had not been paid or as if any such security or guarantee had not been provided.

## **9. ENFORCEMENT**

### **9.1 Appropriation**

- (A) Immediately upon and at any time after the occurrence of an Enforcement Event which is continuing, or as otherwise permitted under the Facility Agreement, the Security Agent shall be entitled, and is hereby irrevocably and unconditionally authorised, without giving prior notice to the Company or obtaining the consent of the Company but at the cost of the Company, to apply, set-off or transfer the whole or any part of the Deposit (whether or not then payable) in or
-

towards payment or other satisfaction of the Secured Obligations or any part thereof in such order as the Security Agent shall (in its absolute discretion) determine and thereafter in payment of any surplus to the Company or other person entitled to it.

(B) On exercising its rights under this clause 9.1 (*Appropriation*) the Security Agent shall serve a Notice of an Enforcement Event on the Account Bank and shall copy any such notice to KECI.

(C) The Account Bank agrees, immediately upon receipt of a Notice of an Enforcement Event:

(i) to comply with all directions for or in connection with the Accounts whatsoever given by the Authorised Signatories of the Security Agent and as more specifically set out in the Notice of an Enforcement Event (without reference to and regardless of any inconsistent request or Instruction from KECI); and

(ii) not to comply with the terms of any Instruction or other demand, direction or request in relation to any of the Accounts from any person other than the Security Agent unless it has been approved in writing by the Security Agent.

## **9.2 Financial collateral regulations**

(A) To the extent that any of the Accounts and the Deposit, this Deed and the rights and obligations of the parties under this Deed, constitute a “security financial collateral arrangement” (as defined in and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003/3226) (the “**Regulations**”)), the Security Agent shall have the benefit of all of the rights of a collateral taker conferred upon it by the Regulations, including the right to appropriate all or any part of the financial collateral (as defined in the Regulations) in or towards discharge of the Secured Obligations in such order as the Security Agent shall (in its absolute discretion) determine and thereafter in payment of any surplus to the Company or other person entitled to it.

(B) The parties agree that the value of the financial collateral (as defined in the Regulations) so appropriated shall be the amount standing to the credit of the Accounts (or any new account opened pursuant to clause 5.6 (*New account*), together with any accrued but unposted interest, at the time the right of appropriation is exercised. The parties agree that the method of valuation provided for in this Deed is a commercially reasonable method of valuation for the purposes of the Regulations.

## **9.3 Section 93 Law of Property Act 1925**

Section 93 of the Law of Property Act 1925 shall not apply to this Deed.

## **10. CERTIFICATES AND DETERMINATIONS**

For all purposes, including any legal proceedings:

(A) a determination by the Security Agent; or

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(B) a copy of a certificate signed by an officer of the Security Agent,

of the amount of any indebtedness comprised in the Secured Obligations and/or the amount standing to the credit of the Accounts for the time being or at any time shall, in the absence of manifest error, be conclusive evidence against the Company as to such amount.

**11. COVENANT TO PAY**

The Company shall pay and discharge all Secured Obligations in accordance with the Facility Agreement or, as the case may be, this Deed.

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**PART 3**  
**ACCOUNT BANK AGREEMENT**

**12. THE ACCOUNTS**

- (A) The Accounts shall be maintained at an office of the Account Bank in London or such other jurisdiction approved by the Facility Agent (acting reasonably). For the avoidance of doubt, nothing in this clause 12(A) shall create any obligation on the Account Bank to establish an account in another location other than in London.
- (B) The Accounts shall be denominated in US Dollars. Any sum constituting interest paid in respect of the credit balance of the Accounts shall be treated in the same manner as any other sum credited to the Accounts.
- (C) The Account Bank is hereby notified that pursuant to this Deed KECI has charged to the Security Agent all its rights, title and interests in and to the Deposit and the Accounts from time to time.
- (D) The Accounts shall be maintained by KECI at all times prior to the Discharge Date at which time the Facility Agent will notify the Account Bank in writing that the Accounts are no longer required to be maintained.

**13. OPERATION OF THE ACCOUNTS**

**13.1 Compliance with the Facility Agreement**

- (A) KECI shall operate the Accounts in accordance with the provisions of the Facility Agreement and shall not:
- (i) request withdrawals from the Accounts except where expressly permitted under the provisions of the Facility Agreement; or
  - (ii) pay any moneys into the Accounts except in accordance with the provisions of the Facility Agreement.

**13.2 Instructions**

- (A) Except as required by applicable law, the Account Bank shall not accept or act upon any Instruction or request to make any payment or transfer to or from, or otherwise to transact any other dealing in relation to the Accounts:
- (i) from any person other than KECI, the Facility Agent or the Security Agent, as specified by this Deed; and
  - (ii) unless such Instruction or request from either the Facility Agent, the Security Agent or KECI is in written format.
- (B) Subject to the terms of this Deed and so long as no Default Notice has been issued by the Facility Agent which has not been revoked by a Default Revocation Notice, KECI may give, and the Account Bank may accept and act upon, Instructions regarding the operation of the
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Accounts in accordance with the customary banking practice of the Account Bank in the jurisdiction concerned, subject to the terms of this Deed, the Deposit Agreements or any other Finance Document.

(C) Withdrawals or transfers may, subject to clause 14 (*Default*) and clause 9 (*Enforcement*), be made from the Accounts provided that:

- (i) the withdrawal or transfer is in compliance with the terms of this Deed, the Deposit Agreements or any other Finance Document;
- (ii) the withdrawal or transfer is based on cleared funds; and
- (iii) the Accounts may not be overdrawn at any time.

(D) KECI shall not exercise any right which it may have under any applicable law to instruct the Account Bank to transfer any amount standing to the credit of the Accounts to KECI or to its order in any manner which is or would be inconsistent with any of the provisions of this Deed, the Deposit Agreements or any other Finance Document.

(E) KECI, the Facility Agent and the Security Agent shall each, from time to time by letter addressed to the other parties and, in the case of KECI, signed by a director of KECI duly authorised to sign:

- (i) designate in writing the individuals authorised to sign Instructions, notices, communications or documents to be made, given or delivered under this Deed on its behalf;
- (ii) supply to the other parties specimen signatures of those individuals; and
- (iii) it is acknowledged by the parties that KECI has given a notice (to the Account Bank only) for the purpose of this clause 13.2 (*Instructions*) prior to the date of this Deed.

(F) The Account Bank shall be entitled to rely on any Instruction, notice, communication or document believed by it in good faith to be genuine, correct and duly authorised, and to have been communicated or signed by the person by or on behalf of whom it purports to be communicated or signed and shall not be liable to any of the parties to this Deed for any of the consequences of such reliance.

(G) The Account Bank shall not have any responsibility to any of the parties to this Deed if any Instruction which should be given by the Facility Agent to the Account Bank under or in connection with this Deed is not received by the Account Bank or is not made at the time it should be made.

(H) Without prejudice to paragraph (F), where the Account Bank receives any Instruction in accordance with the terms of this clause 13.2 (*Instructions*) which it believes to be genuine, correct and duly authorised, and to have been communicated or signed by the person by or on behalf of whom it purports to be communicated or signed, the Account Bank shall not have any responsibility to:

- (i) ensure that the information set out therein is correct;
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- (ii) check or enquire as to whether any condition contained therein has been met or will be fulfilled;
- (iii) check or enquire as to whether such Instruction has been properly given; or
- (iv) enquire as to the purpose or nature of any request for a withdrawal from the Accounts contained therein.

(I) The Account Bank and KECI confirm that the Accounts will be operated in a manner that provides a written statement of all transactions carried out on such Accounts including, for the avoidance of doubt, all transactions for which Instructions were given to the Account Bank via the Account Bank's electronic banking system and, as at any given date, of the balance standing to the credit of the Accounts, and the Account Bank confirms that such statements will be made available to KECI and the Security Agent at the end of each calendar month and as may otherwise reasonably be requested from time to time.

(J) The Account Bank shall be entitled to deal with money paid to it by KECI for the purposes of this Deed in the same manner as other money paid to a banker by its customers, except that (a) it acknowledges that it is not entitled to, and undertakes not to claim or exercise any lien, right of set-off, combination or other similar right with respect to moneys standing to the credit of the Accounts are held or are in the course of being credited to it; and (b) it shall not be liable to account to KECI for any interest or other amounts in respect of the money, save for interest borne under clause 13.5 (*Interest*).

(K) The Account Bank confirms that it has not received any other notice of any Security Interest, nor is it otherwise aware of any Security Interest, in respect of the Accounts in favour of any person other than the Security Agent.

### **13.3 Operating procedures**

(A) Detailed operating procedures for the Accounts shall, subject to clause 13.3(B)(iii) (*Operating procedures*), be agreed from time to time between KECI and the Account Bank.

(B) Each of the parties to this Deed agrees and acknowledges that:

- (i) there shall be no operation of the Accounts except in accordance with the provisions of this Deed and the Facility Agreement;
- (ii) the operating procedures shall be amended from time to time as agreed in writing between KECI, the Account Bank and the Security Agent (each acting reasonably); and
- (iii) in the event of inconsistency between the operating procedures agreed in accordance with clause 13.3(A) (*Operating procedures*) and the terms of this Deed, the latter shall prevail.

### **13.4 Fees**

(A) Subject to the Facility Agreement, KECI shall pay to the Account Bank such transaction charges and other fees, costs and expenses (including value added tax where applicable) as

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the Account Bank and KECI shall separately agree in writing for carrying out the relevant transactions and are payable from time to time by KECI.

(B) KECI will pay to the Account Bank, within fifteen Business Days of demand, the amount of all charges, costs and expenses payable by KECI to the Account Bank pursuant to clause 13.4(A) (*Fees*).

(C) The fees, commissions and expenses payable to the Account Bank for services rendered and the performance of its obligations under this Deed shall not be abated by any remuneration or other amounts or profits receivable by the Account Bank (or to its knowledge by any of its associates) in connection with any transaction effected by the Account Bank with or for KECI.

### **13.5 Interest**

(A) Each sum credited to the Accounts from time to time shall, from the time it is credited until the time it is withdrawn from the Accounts, bear interest at such commercially appropriate rate as may be agreed from time to time by the Account Bank and KECI provided that the Account Bank may, at any time, apply a new rate of interest to the Accounts, which new rate shall be effective on a date no less than 30 Business Days after the Account Bank has given written notice to KECI of the same.

(B) Subject to KECI maintaining Cash Collateral in the Accounts in compliance with its obligations under the Facility Agreement and providing an Enforcement Event has not occurred and is continuing, all interest earned on the balance standing to the credit of the Accounts shall be credited to the account (which is not secured under this Deed) as notified by KECI to the Account Bank.

### **13.6 Information**

KECI irrevocably instructs and authorises the Account Bank to disclose to the Facility Agent or the Security Agent (as the case may be), without any reference to or further authority from KECI and without any inquiry by the Account Bank as to the justification for such disclosure, such information relating to the Accounts as the Facility Agent, or the Security Agent (as the case may be) may request from time to time. All such information provided by the Account Bank shall be deemed to have been provided on behalf of KECI and each Secured Party is subject to the confidentiality undertaking contained in Schedule 6 (*Form of Confidentiality Undertaking*) of the Facility Agreement in relation to such information.

### **13.7 Terms of appointment of the Account Bank**

(A) The Account Bank is authorised and regulated by the Financial Services Authority. Nothing in this Deed shall require the Account Bank to carry on an activity of the kind specified by any provision of Part II (other than article 5 (accepting deposits)) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, or to lend money to KECI.

(B) The Account Bank shall be obliged to perform such duties and only such duties as are expressly set out in this Deed and no implied duties or obligations of any kind (including without

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limitation duties or obligations of a fiduciary or equitable nature) shall be read into this Deed against the Account Bank.

(C) Any of the Account Bank, its officers, directors and employees may accept deposits from, lend money to and generally engage or be interested in any kind of lending, financial or other business with KECI and any other party to any Finance Documents.

(D) The Account Bank shall be entitled to take any action or to refuse to take any action which the Account Bank regards as necessary for the Account Bank to comply with any applicable law, regulation or fiscal requirement, or the rules, operating procedures or market practice of any relevant stock exchange or other market or clearing system.

(E) The Account Bank may collect, use and disclose personal data about KECI and/or other transaction parties (if any are an individual) or individuals associated with KECI and/or other transaction parties, so that the Account Bank can carry out its obligations to KECI and for other related purposes, including auditing, monitoring and analysis of its business, fraud and crime prevention, money laundering, legal and regulatory compliance and the marketing by the Account Bank or members of the Account Bank's corporate group of other services. The Account Bank will keep the personal data up to date. The Account Bank may also transfer the personal data to any country (including countries outside the European Economic Area where there may be less stringent data protection laws) to process information on the Account Bank's behalf. Wherever it is processed, the personal data will be protected by a strict code of secrecy and security to which all members of the processing agent's corporate group, their staff and any third parties are subject, and will only be used in accordance with the Account Bank's instructions.

(F) The Account Bank may consult with legal and other professional advisers and the opinion of the advisers shall be full and complete protection in respect of any action taken, omitted or suffered under this Deed in good faith and in accordance with the opinion of the advisers.

(G) The Account Bank shall not be under any obligation to take any action under this Deed which it expects will result in any expense or liability accruing to it, the payment of which within a reasonable time is not, in its opinion, assured to it.

(H) Any corporation into which the Account Bank may be merged or converted, or any corporation with which the Account Bank may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Account Bank shall be a party, or any corporation to which the Account Bank shall sell or otherwise transfer all or substantially all of its assets shall, on the date when the merger, conversion, consolidation or transfer becomes effective and to the extent permitted by any applicable laws, become the successor Account Bank under this Deed without the execution or filing of any paper or any further act on the part of the parties to this Deed, unless otherwise required by KECI, and after the said effective date all references in this Deed to the Account Bank shall be deemed to be references to such successor corporation. Written notice of any such merger, conversion, consolidation or transfer shall immediately be given to the KECI by the Account Bank.

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## **14. DEFAULT**

### **14.1 Default Notice**

(A) The Facility Agent shall only be entitled to serve a Default Notice to the Account Bank where a Default or an Event of Default has occurred and is continuing and has not been waived under the Facility Agreement.

(B) Upon receipt by the Account Bank of a Default Notice, KECI and the Account Bank agree that no amount may be withdrawn or transferred from the Account and the Account Bank shall not comply with any Instruction or other demand, direction or request for such a withdrawal or transfer (except a Default Revocation Notice, Notice of an Enforcement Event or as ordered by any court) in respect of the Accounts unless and until the Account Bank has received a Default Revocation Notice (revoking the corresponding Default Notice).

(C) Once a Default Notice has been given, it will continue in force and the provisions of clause 14.1(B) (*Default Notice*) will apply until the Account Bank receives a Default Revocation Notice from the Facility Agent.

(D) The Facility Agent shall copy each notice given pursuant to this clause 14.1 (*Default Notice*) forthwith to KECI.

(E) To the extent permitted under this clause 14 (*Default*), during the period between receipt by KECI of the copy of a Default Notice and receipt of a copy of a corresponding Default Revocation Notice, KECI shall present all Instructions or other directions or requests and all certificates given by KECI regarding the operation of the Accounts in a timely fashion to the Facility Agent for information.

(F) Where the Account Bank has received a Default Notice, which has not been the subject of a corresponding Default Revocation Notice, the Account Bank shall make withdrawals from the Accounts and take all other action in relation to the Accounts solely as instructed by the Security Agent (or as ordered by any court).

### **14.2 Default Revocation Notice**

(A) The Facility Agent shall give a Default Revocation Notice to the Account Bank (copied to KECI) promptly after being satisfied that no Default or Event of Default is continuing under the Facility Agreement.

(B) For the avoidance of doubt, if any waiver given in respect of any Default expires, or if any condition relating to such waiver is not or ceases to be satisfied, or if such waiver is revoked or otherwise ceases to apply, the Facility Agent shall not be restricted from serving a further Default Notice in respect of the relevant Default.

## **15. ACCESS TO BOOKS AND RECORDS**

The Account Bank shall provide to the Facility Agent and KECI, not less than five Business Days after the end of each calendar year quarter, a full statement of all payments (including the relevant account balance) into and from the Accounts.

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## **16. CONFIDENTIALITY**

The Account Bank shall keep confidential all information made available to it by, or by any person on behalf of, any other party to this Deed and shall not disclose any such information to any third party without the prior written consent of KECI, the Security Agent and the Facility Agent unless such disclosure is:

- (A) made to a sub-custodian for the purpose of arrangements made in accordance with this Deed;
- (B) made to an Affiliate of the Account Bank and is necessary for such Affiliate to comply with any law provided that prior to such disclosure the relevant Affiliate has given an undertaking to be bound by the confidentiality provisions of this clause 16 (*Confidentiality*);
- (C) made in connection with any proceedings, claims or suits arising out of or in connection with this Deed, to the extent that the Account Bank reasonably considers it necessary to protect its interests;
- (D) required by an order of a court of competent jurisdiction;
- (E) made or required pursuant to any law in accordance with which the Account Bank is required to act;
- (F) made to its auditors for the purpose of enabling them to undertake any audit or to its legal advisers when seeking bona fide legal advice in connection with this Deed; or
- (G) limited to information which has been published or announced in conditions free from confidentiality or has otherwise entered the public domain without default on the part of the Account Bank or has become known by the Account Bank before being disclosed by or on behalf of KECI, the Security Agent or either Facility Agent or has lawfully been obtained after that date other than from a source connected with KECI, the Security Agent or the Facility Agent.

## **17. ACCOUNT BANK EXONERATION**

### **17.1 Exoneration**

- (A) The Account Bank may rely on the provisions of clause 23.2 (*Duties of the Facility Agent*), clause 23.3 (*No fiduciary duties*), clause 23.4 (*Business with the Group*), clause 23.5 (*Rights and discretions of Agents*), clause 23.7 (*Responsibility for documentation*) and clause 23.8 (*Exclusion of liability*) of the Facility Agreement individually, as if such provisions were set out in full in this Deed, substituting references to the Facility Agent or the Agent with references to the Account Bank.
  - (B) The Account Bank shall not be liable to KECI or any other person for any action it may properly take in reliance in good faith upon any written notice or request given to it by KECI or the Security Agent or the Facility Agent (including any withdrawals made pursuant to clause 13.2 (*Instructions*)), including where such notice or request causes the Accounts to become overdrawn.
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- (C) The Account Bank does not have and does not accept any responsibility for:
- (i) the accuracy and/or completeness of any information (other than statements provided in accordance with clause 15 ( *Access to books and records*); or
  - (ii) the legality, validity, effectiveness, adequacy or enforceability of any document made or executed in connection with this Deed.
- (D) KECI agrees that it shall not assert or seek to assert against any director, officer or employee of the Account Bank any claim it might have against the Account Bank in respect of the matters referred to in this clause 17 ( *Account Bank exoneration*).

**17.2 Excluded obligation of Account Bank**

- (A) Subject to clause 19 ( *Liability*) and exercising the banker's duty of care, the Account Bank shall not:
- (i) be bound to enquire as to the occurrence or otherwise of a Default;
  - (ii) be bound to enquire as to the performance by any other party to this Deed of its obligations hereunder;
  - (iii) be bound to account to any other party hereto for any sum or the profit element of any sum received by it for its own account; or
  - (iv) be under any fiduciary duty towards any other party hereto or under any obligations other than those for which express provision is made in this Deed or in any operating procedures determined under clause 13.3 ( *Operating procedures*).

**17.3 Indemnity**

KECI shall indemnify the Account Bank on demand against any cost, loss, liability, claim, action, damages, expenses or demands (together, "**Losses**") incurred by or made against the Account Bank in acting as the Account Bank under this Deed, except to the extent that any Losses result from its own wilful default, gross negligence or fraud or that of its officers, directors or employees.

**18. CUSTODY OF DOCUMENTS**

- (A) The Account Bank, the Facility Agent and the Security Agent undertake that they shall not deliver this Deed into a country that would result in this Deed (or any party to it) becoming subject to (or liable for payment of) any stamp duty, documentary taxes or any other similar tax, charge or impost (or any obligation upon a member of the Group to reimburse any other person for such a payment).
- (B) Paragraph (A) above shall not apply to the Account Bank, the Facility Agent or the Security Agent at any time at which such party either (i) has a right to take Enforcement Action; or (ii) has the written consent of KECI.
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**19. LIABILITY**

(A) The Account Bank will only be liable to KECI for losses, liabilities, costs, expenses and demands arising directly from the performance of its obligations under this Deed suffered by or occasioned to KECI (“**Liabilities**”) to the extent that the Account Bank has been negligent, fraudulent or in wilful default (including any wilful breach of the terms of this Deed) in respect of its obligations under this Deed. The Account Bank shall not otherwise be liable or responsible for any Liabilities or inconvenience which may result from anything done or omitted to be done by it in connection with this Deed.

(B) Liabilities arising under clause 19(A) (*Liability*) shall be limited to the amount of KECI’s actual loss. Such actual loss shall be determined (i) as at the date of default of the Account Bank or, if later, the date on which the loss arises as a result of such default, and (ii) without reference to any special conditions or circumstances known to the Account Bank at the time of entering into the Agreement, or at the time of accepting any relevant instructions, which increase the amount of the loss. In no event shall the Account Bank be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive or consequential damages, whether or not the Account Bank has been advised of the possibility of such loss or damages.

(C) The liability of the Account Bank under clause 19(A) (*Liability*) will not extend to any Liabilities arising through any acts, events or circumstances not reasonably within its control, or resulting from the general risks of investment in or the holding of assets in any jurisdiction, including, but not limited to, Liabilities arising from: nationalisation, expropriation or other governmental actions; any law, order or regulation of a governmental, supranational or regulatory body; regulation of the banking or securities industry including changes in market rules or practice, currency restrictions, devaluations or fluctuations; market conditions affecting the execution or settlement of transactions or the value of assets; breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; and strikes or industrial action.

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**PART 4**  
**MISCELLANEOUS**

**20. STAMP TAXES**

The Company shall, within five Business Days of demand, pay and indemnify the Security Agent and the Account Bank against any cost, loss or liability that the Security Agent or the Account Bank incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of this Deed (other than in respect of an assignment or transfer by a Security Agent) in accordance with clause 11.5 (*Stamp taxes*) of the Facility Agreement.

**21. COSTS AND EXPENSES**

**21.1 Transaction Expenses**

The Company shall within fifteen Business Days of written demand pay to the Security Agent (or other relevant Finance Party) all costs and expenses (including legal fees) reasonably incurred:

- (A) in connection with the negotiation, preparation, printing and execution of this Deed; and
- (B) in responding to evaluating, negotiating, preparing, printing, execution of or complying with, an amendment, waiver or consent requested by the Company relating to this Deed.

**21.2 Enforcement Costs**

The Company shall within five Business Days of written demand pay to the Security Agent and each of the Secured Parties the amount of all documented costs and expenses (including legal fees) incurred by the Security Agent or the relevant Secured Party in connection with the enforcement or attempted enforcement of, or the preservation of rights under, this Deed.

**22. POWER OF ATTORNEY**

**22.1 Appointment**

The Company hereby appoints as its attorney, irrevocably (within the meaning of section 4 of the Powers of Attorney Act 1971) and by way of security for the performance of its obligations under this Deed, the Security Agent and any person nominated in writing by the Security Agent severally (with full powers of substitution and delegation), on its behalf and in its name or otherwise and as its act and deed, at such time and in such manner as the attorney may think fit:

- (A) to take any action which it is obliged to take under this Deed but has not taken; and
  - (B) to take any action required to enable the Security Agent to exercise all or any of the rights, powers, authorities and discretions conferred on it by or pursuant to this Deed or by law,
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and the taking of action by the attorney or attorneys shall (as between the attorney and any third party) be conclusive evidence to any third party of its right to take such action.

**22.2 Ratification**

The Company undertakes to ratify and confirm everything that any attorney does or purports to do in the exercise or purported exercise of the power of attorney in clause 22.1 (*Appointment*).

**23. ASSIGNMENT**

**23.1 Assignment by the security agent**

The Security Agent may at any time, without the consent of the Company, assign or transfer any of its rights and obligations under this Deed to any person to whom its rights and obligations under the Facility Agreement may be assigned or transferred.

**23.2 Assignment by the Company**

The Company shall not assign or transfer, or attempt to assign or transfer, any of its rights or obligations under or in respect of this Deed.

**23.3 Assignment by the Account Bank**

The Account Bank shall not assign or transfer, or attempt to assign or transfer, any of its rights or obligations under or in respect of this Deed.

**24. AMENDMENTS**

This Deed may not be amended, modified or waived in any respect, without the prior written consent of the Security Agent and the Account Bank given with express reference to this clause 24 (*Amendments*) (such consent not to be unreasonably withheld or delayed).

**25. REMEDIES AND WAIVERS**

No delay or omission on the part of the Security Agent or the Account Bank in exercising any right provided by law or under this Deed shall impair, affect or operate as a waiver of that or any other right. The single or partial exercise by the Security Agent or the Account Bank of any right shall not, unless otherwise expressly stated, preclude or prejudice any other or further exercise of that, or the exercise of any other, right. The rights of the Security Agent and the Account Bank under this Deed are in addition to and do not affect any other rights available to it by law.

**26. EXECUTION AS A DEED**

Each of the parties intends this Deed to be a deed and confirms that it is executed and delivered as a deed, notwithstanding the fact that any one of the parties may only execute it under hand.

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## 27. COUNTERPARTS

This Deed may be executed in any number of counterparts, and by the parties to this Deed on separate counterparts, but will not be effective until each such party has executed at least one counterpart. Each counterpart shall constitute an original of this Deed, but all the counterparts will together constitute one and the same instrument.

## 28. JURISDICTION

- (A) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) (a “**Dispute**”).
- (B) The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.
- (C) This clause 28 (*Jurisdiction*) is for the benefit of only the Security Agent and the Account Bank. As a result, the Security Agent and the Account Bank shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent and the Account Bank may take concurrent proceedings in any number of jurisdictions.

## 29. GOVERNING LAW

This Deed is governed by and is to be construed in accordance with English law.

## 30. SERVICE OF PROCESS

- (A) Without prejudice to any other mode of service allowed under any relevant law, the Company:
- (i) irrevocably appoints Trusec Limited of 2 Lambs Passage, London EC1Y 8BB (the “**Process Agent**”) as its agent for service of process in relation to any Dispute before the English courts in connection with this Deed;
  - (ii) irrevocably agrees that any Service Document may be sufficiently and effectively served on it in connection with any dispute in England by service on the Process Agent (or any replacement agent appointed pursuant to paragraph (B) of this clause 30 (*Service of process*)); and
  - (iii) irrevocably agrees that failure by a process agent to notify the Company of the process will not invalidate the proceedings concerned.
- (B) If the agent referred to in paragraph (A) of this clause 30 (*Service of process*) (or any replacement agent appointed pursuant to this paragraph (B)) at any time ceases for any reason to act as such, as the case may be, the Company shall as soon as reasonably practicable appoint a replacement agent to accept service having an address for service in England and shall notify the Security Agent of the name and address of the replacement agent; failing such appointment and notification, the agent referred to in paragraph (A) of this clause 30 (*Service of*
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*process*) (or any replacement agent appointed pursuant to this paragraph (B)) shall continue to be authorised to act as agent for service of process in relation to any proceedings before the English courts on behalf of the relevant party and shall constitute good service.

(C) Any document addressed in accordance with clause 30(A) (*Service of process*) shall be deemed to have been duly served if:

- (i) left at the specified address, when it is left; or
- (ii) sent by first class post, two clear Business Days after posting.

(D) For the purposes of this clause 30 (*Service of process*), “**Service Document**” means a writ, summons, order, judgment or other document relating to or in connection with any Dispute.

Nothing contained herein shall affect the right to serve process in any other manner permitted by law.

**IN WITNESS** of which this document has been signed on behalf of the Security Agent, the Facility Agent and the Account Bank and executed as a deed by the Company and is delivered on the date stated at the beginning of this Deed.

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**SCHEDULE 1  
DETAILS OF THE ACCOUNTS**

Name:	Kosmos Energy Credit International
Number:	10172726661

Name:	Kosmos Energy Credit International
Number:	10272726661

Name:	Kosmos Energy Credit International
Number:	10372726661

Name:	Kosmos Energy Credit International
Number:	10472726661

Name:	Kosmos Energy Credit International
Number:	10572726661

Name:	Kosmos Energy Credit International
Number:	10672726661

Name:	Kosmos Energy Credit International
Number:	10772726661

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Name:	Kosmos Energy Credit International
Number:	10872726661

Name:	Kosmos Energy Credit International
Number:	10972726661

Name:	Kosmos Energy Credit International
Number:	11072726661

Name:	Kosmos Energy Credit International
Number:	11172726661

Name:	Kosmos Energy Credit International
Number:	11272726661

Name:	Kosmos Energy Credit International
Number:	11372726661

Name:	Kosmos Energy Credit International
Number:	11472726661

Name:	Kosmos Energy Credit International
Number:	11572726661

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Name:	Kosmos Energy Credit International
Number:	11672726661

Name:	Kosmos Energy Credit International
Number:	11772726661

Name:	Kosmos Energy Credit International
Number:	11872726661

Name:	Kosmos Energy Credit International
Number:	11972726661

Name:	Kosmos Energy Credit International
Number:	12072726661

Name:	Kosmos Energy Credit International
Number:	12172726661

Name:	Kosmos Energy Credit International
Number:	12272726661

Name:	Kosmos Energy Credit International
Number:	12372726661

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Name:	Kosmos Energy Credit International
Number:	12472726661

Name:	Kosmos Energy Credit International
Number:	12572726661

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**SCHEDULE 2  
DETAILS AND ENFORCEMENT NOTICES**

**Part I  
Default Notice**

*[Letterhead of Facility Agent]*

To: Societe Generale, London Branch (as the Account Bank)  
SG House  
41 Tower Hill  
EC3N 4SG  
London, UK

Fax: +44 20 7676 6661

F.A.O.: Mirela Kubicka and Muzaffar Khalmirzaev

cc: Kosmos Energy Credit International  
P.O. Box 32322  
4<sup>th</sup> Floor Century Yard  
Cricket Square  
Elgin Avenue  
George Town  
Grand Cayman  
KY1-1209  
Cayman Islands

Fax: (345) 946 4090

F.A.O.: Andrew Johnson

cc: Kosmos Energy Credit International  
c/o Kosmos Energy LLC  
8176 Park Lane  
Suite 500  
Dallas  
Texas 75231  
USA

Fax: (345) 946 4090

F.A.O.: Andrew Johnson

cc: Societe Generale, London Branch (as the Security Agent)  
SG House  
41 Tower Hill  
EC3N 4SG  
London, UK

Fax: +44 20 7676 6661

F.A.O.: Mirela Kubicka and Muzaffar Khalmirzaev

---



[Date]

Dear Sirs,

**Default Notice**

1. We refer to the Charge on Cash Deposits and Account Bank Agreement dated [ ] made between, *inter alios*, Kosmos Energy Credit International (“**KECI**”), you as the Account Bank and us as Facility Agent (the “**Agreement**”).

Terms defined in the Agreement shall, unless otherwise defined herein, have the same meaning in this Default Notice.

2. We hereby give you notice that a Default has occurred and KECI’s right to withdraw money from the Accounts is restricted in accordance with the terms of clause 13 (*Default*) of the Agreement.

3. Pursuant to clause 13 (*Default*) of the Agreement, we hereby notify and instruct you that no amount may be withdrawn or transferred from the Accounts, and that you shall not comply with any Instruction or other demand, direction or request for such a withdrawal or transfer (except a Notice of an Enforcement Event) in respect of the Accounts, unless and until:

(a) we have notified you in writing (signed by an Authorised Signatory) that an amount or amounts may be withdrawn or transferred by KECI from the Accounts in accordance with such Instruction, demand, direction or request; or

(b) a Default Revocation Notice has been delivered to you from us.

4. This Default Notice shall remain in force until a Default Revocation Notice has been delivered to you by us.

This Default Notice shall be governed by and construed in accordance with English law.

Yours faithfully,

---

For and on behalf of

SOCIETE GENERALE, LONDON BRANCH  
as Facility Agent

---

## SCHEDULE 2

### Part II Default Revocation Notice

*[Letterhead of Facility Agent]*

To: Societe Generale, London Branch (as the Account Bank)  
SG House  
41 Tower Hill  
EC3N 4SG  
London, UK

Fax: +44 20 7676 6661

F.A.O.: Mirela Kubicka and Muzaffar Khalmirzaev

Email: ,  
; and

cc: Kosmos Energy Credit International  
P.O. Box 32322  
4<sup>th</sup> Floor Century Yard  
Cricket Square  
Elgin Avenue  
George Town  
Grand Cayman  
KY1-1209  
Cayman Islands

Fax: (345) 946 4090

F.A.O.: Andrew Johnson

cc: Kosmos Energy Credit International  
c/o Kosmos Energy LLC  
8176 Park Lane  
Suite 500  
Dallas  
Texas 75231  
USA

Fax: (345) 946 4090

F.A.O.: Andrew Johnson

cc: Societe Generale, London Branch (as the Security Agent)  
SG House  
41 Tower Hill

---

EC3N 4SG  
London, UK

Fax: +44 20 7676 6661

F.A.O.: Mirela Kubicka and Muzaffar Khalmirzaev

[Date]

Dear Sirs,

**Default Revocation Notice**

1. We refer to clause 13 (*Default*) of the Charge on Cash Deposits and Account Bank Agreement dated [ ] made between, *inter alios*, Kosmos Energy Credit International (“**KECI**”), you as the Account Bank and us as Facility Agent (the “**Agreement**”) and the Default Notice addressed to you dated [ ].

Terms defined in the Agreement shall have the same meaning in this Default Revocation Notice.

2. We hereby revoke the Default Notice referred to in paragraph 1.

This Default Revocation Notice shall be governed by and construed in accordance with English law.

Yours faithfully,

---

For and on behalf of  
SOCIETE GENERALE, LONDON BRANCH  
as Facility Agent

---

**SCHEDULE 2**

**Part III  
Notice of an Enforcement Event**

*[Letterhead of Security Agent]*

To: Societe Generale, London Branch (as the Account Bank)  
SG House  
41 Tower Hill  
EC3N 4SG  
London, UK

Fax: +44 20 7676 6661

F.A.O.: Mirela Kubicka and Muzaffar Khalmirzaev

Email: ,  
; and

cc: Kosmos Energy Credit International  
P.O. Box 32322  
4<sup>th</sup> Floor Century Yard  
Cricket Square  
Elgin Avenue  
George Town  
Grand Cayman  
KY1-1209  
Cayman Islands

Fax: (345) 946 4090

F.A.O.: Andrew Johnson

cc: Kosmos Energy Credit International  
c/o Kosmos Energy LLC  
8176 Park Lane  
Suite 500  
Dallas  
Texas 75231  
USA

Fax: (345) 946 4090

F.A.O.: Andrew Johnson

---

Dear Sirs,

**Notice of an Enforcement Event**

1. We refer to the Charge on Cash Deposits and Bank Account Agreement dated [ ] made between *inter alios* Kosmos Energy Credit International (“**KECI**”) and us as Security Agent (the “**Agreement**”).

Terms defined in the Agreement shall, unless otherwise defined herein, have the same meaning in this Notice of an Enforcement Event.

2. This is a Notice of an Enforcement Event and prevails over any contrary or inconsistent Instruction given by KECI at any time.

3. Pursuant to clause 14 (*Enforcement*) of the Agreement, we hereby notify and instruct you:

- (a) that no withdrawal of any sums standing to the credit of the Accounts are permitted or should be made as of the date hereof until further notice except in accordance with paragraph (c) below;
- (b) not to comply with the terms of any Instruction or other demand, direction or request in relation to the Accounts unless it has been approved by us in writing; and
- (c) to comply with all directions given for or in connection with the Accounts whatsoever by or on behalf of the Security Agent, including without limitation, to honour and comply with all cheques, notes and other orders drawn, and all bills accepted by or on behalf of the Security Agent, and to accept all receipts as a valid discharge to you for any monies deposited with or owing by you on the Accounts at any time, provided that such cheques, notes, orders, bills, directions or receipts are signed by:

Name	Function	Capacity (i.e. severally or jointly and if so with whom)	Specimen Signatures
_____	_____	_____	_____
_____	_____	_____	_____

The above signatories are for the purposes of the Accounts the “**Authorised Signatories**” and each an “**Authorised Signatory**” of the Security Agent.

---

This notice shall be governed by and construed in accordance with English law.

Please acknowledge receipt of this notice by signing and returning the acknowledgement to us at the address specified above.

Yours faithfully,

---

For and on behalf of  
**SOCIETE GENERALE, LONDON BRANCH**  
as Security Agent

We acknowledge the above:

For and on behalf of  
**SOCIETE GENERALE, LONDON BRANCH**  
as Account Bank

Date:

---



**Facility Agent**

Executed as a deed on behalf of **SOCIETE GENERALE, LONDON BRANCH**, a company incorporated in France, by **Christophe Roux**, being a person who, in accordance with the laws of France, is acting under the authority of the company.

)  
)  
)  
)  
)

/s/ Christophe Roux  
(Authorised signatory)

Signature of witness

/s/Camille Souchaud

Name of witness

Camille Souchaud

Address: Societe Generale, London Branch  
SG House  
41 Tower Hill  
London, EC3N 4SG

Fax: +44 20 7676 6661

F.A.O.: Mirela Kubicka and Muzaffar Khalmirzaev

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**Security Agent**

Signed by **SOCIETE GENERALE, LONDON BRANCH** acting by )  
its duly appointed attorney )  
)  
)  
)

/s/ Christophe Roux

---

Address: Societe Generale, London Branch  
SG House  
41 Tower Hill  
London, EC3N 4SG

Fax: +44 20 7676 6661

F.A.O.: Mirela Kubicka and Muzaffar Khalmirzaev

---

**Account Bank**

Signed by **SOCIETE GENERALE, LONDON BRANCH** acting by )  
its duly appointed attorney )  
)  
)  
)

/s/ Christophe Roux

Address: Societe Generale, London Branch  
SG House  
41 Tower Hill  
London, EC3N 4SG

Fax: +44 20 7676 6661

Email: ,  
; and

F.A.O.: Mirela Kubicka and Muzaffar Khalmirzaev

---

CONFIDENTIAL TREATMENT REQUESTED. INFORMATION FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED IS OMITTED AND MARKED WITH “[\*\*\*]”. AN UNREDACTED VERSION OF THE DOCUMENT HAS ALSO BEEN FURNISHED SEPARATELY TO THE SECURITIES AND EXCHANGE COMMISSION AS REQUIRED BY RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

**SECTION 1**

**CONTRACT AGREEMENT**

**KEV-01-13-004**

**HIRE OF A DEEPWATER DRILLING UNIT**

This agreement (this “Agreement”) between Kosmos Energy Ventures (“Operator”), and Alpha Offshore Drilling Services Company (“Contractor”) is to engage Contractor to carry out certain drilling services (the “Drilling Services”) in accordance with the Contract.

**1. DOCUMENTS**

The contract (“Contract”) shall comprise the following documents:

- 1.1 This Agreement (Section 1)
- 1.2 Conditions of Contract (Section 2)
- 1.3 Contractor’s Insurance (Section 3)
- 1.4 Statement of Requirements (Section 4)
- 1.5 Rates and Charges (Section 5)
- 1.6 Contractor’s Personnel (Section 6)
- 1.7 Specification of Contractor’s Equipment (Section 7)
- 1.8 Pre-Acceptance Requirements (Section 8)

**2. DEFINITIONS**

In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract.

**3. DRILLING SERVICES**

The Drilling Services shall be the provision of the Drilling Unit, the Drilling Equipment, Contractor’s Personnel and Subcontractor’s personnel as more fully described in the Contract for the drilling of Wells.

**4. OPERATOR’S REPRESENTATIVE**

The Operator’s Representative shall be Jim Mays, Vice President, Supply Chain Management.

Kosmos Energy Ventures  
c/o Kosmos Energy, LLC  
8176 Park Lane, Suite 500  
Dallas, Texas 75231  
Tel No.: 214-445-9600  
Fax No.: 214-445-9810

**5. CONTRACTOR’S REPRESENTATIVE**

The Contractor’s Representative shall be Mark Stewart, Operations Manager, Atwood Achiever.

CONFIDENTIAL TREATMENT REQUESTED. INFORMATION FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED IS OMITTED AND MARKED WITH "[\*\*\*]". AN UNREDACTED VERSION OF THE DOCUMENT HAS ALSO BEEN FURNISHED SEPARATELY TO THE SECURITIES AND EXCHANGE COMMISSION AS REQUIRED BY RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

Alpha Offshore Drilling Services Company  
c/o Atwood Oceanics (M) Sdn. Bhd.  
332A-11C, 11th Floor, Plaza Ampang City  
Jalan Ampang  
50450, Kuala Lumpur, Malaysia  
Attention: International Marketing Manager  
Tel No.: +60 3 2773 9714  
Fax No.: +60 3 4257 9208

**6. DURATION OF THE CONTRACT**

Notwithstanding the date hereof, the term of this Contract will begin on the Operations Commencement Date and shall continue for three (3) years thereafter, as may be extended for the Renewal Option.

**7. REMUNERATION**

In full consideration of the performance of the Drilling Services, Contractor shall be paid in accordance with the Contract.

**8. ACKNOWLEDGEMENT**

Kindly confirm acceptance of the terms of the Contract by signing and returning the attached duplicate.

**Kosmos Energy Ventures**

Signed: /s/ Kosmos Energy Ventures Name: Kosmos Energy Ventures

Position: \_\_\_\_\_ Date: June 9, 2013

The undersigned confirms Contractor's acceptance of this Contract.

**Alpha Offshore Drilling Services Company**

Signed /s/ Anthony H. Dyne Name: Anthony H. Dyne

Position: Director Date: June 9, 2013

CONFIDENTIAL TREATMENT REQUESTED. INFORMATION FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED IS OMITTED AND MARKED WITH “[\*\*\*]”. AN UNREDACTED VERSION OF THE DOCUMENT HAS ALSO BEEN FURNISHED SEPARATELY TO THE SECURITIES AND EXCHANGE COMMISSION AS REQUIRED BY RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

***SECTION 2***

***CONDITIONS OF CONTRACT***

CONFIDENTIAL TREATMENT REQUESTED. INFORMATION FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED IS OMITTED AND MARKED WITH “[\*\*\*]”. AN UNREDACTED VERSION OF THE DOCUMENT HAS ALSO BEEN FURNISHED SEPARATELY TO THE SECURITIES AND EXCHANGE COMMISSION AS REQUIRED BY RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

## **CONDITIONS OF CONTRACT**

### **CONTENTS**

CLAUSE 1.	DEFINITIONS
CLAUSE 2.	CARRY OUT DRILLING SERVICES; TERM; PRE-ACCEPTANCE OF THE DRILLING UNIT
CLAUSE 3.	TERMINATION
CLAUSE 4.	ACCESS TO LOCATIONS
CLAUSE 5.	OPTIONAL RIGHTS OF OPERATOR IN THE EVENT OF DEFAULT BY CONTRACTOR; RIGHTS OF CONTRACTOR IN THE EVENT OF DEFAULT BY OPERATOR
CLAUSE 6.	LIABILITIES AND INDEMNITIES
CLAUSE 7.	CONTRACTOR’S INSURANCES
CLAUSE 8.	TAX INFORMATION AND INDEMNITY
CLAUSE 9.	BANKRUPTCY OR LIQUIDATION
CLAUSE 10.	FORCE MAJEURE
CLAUSE 11.	FREEDOM FROM LIENS
CLAUSE 12.	INVOICING PROCEDURES
CLAUSE 13.	CONFIDENTIAL INFORMATION
CLAUSE 14.	PUBLICITY
CLAUSE 15.	ASSIGNMENT AND SUB-CONTRACTING
CLAUSE 16.	APPLICATION OF LAWS
CLAUSE 17.	NOTICES
CLAUSE 18.	VARIATION AND WAIVER
CLAUSE 19.	INDEPENDENT CONTRACTOR RELATIONSHIP
CLAUSE 20.	INFRINGEMENT OF PATENTS
CLAUSE 21.	APPLICABLE LAW
CLAUSE 22.	ARBITRATION
CLAUSE 23.	EXCLUSION OF PREVIOUS CORRESPONDENCE
CLAUSE 24.	AUDIT
CLAUSE 25.	MISCELLANEOUS
CLAUSE 26.	BUSINESS STANDARDS
CLAUSE 27.	COUNTRY SPECIFIC CONTRACT, ASSIGNMENT OF AGREEMENT
CLAUSE 28.	HEALTH, SAFETY, ENVIRONMENT AND SECURITY AND WELL INTEGRITY

Attachment A

MUTUAL HOLD HARMLESS AGREEMENT

Attachment B

COUNTRY SPECIFIC CONTRACT

Exhibit "1"

Contract Area

Exhibit "2"

Work Order

CONFIDENTIAL TREATMENT REQUESTED. INFORMATION FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED IS OMITTED AND MARKED WITH “[\*\*\*]”. AN UNREDACTED VERSION OF THE DOCUMENT HAS ALSO BEEN FURNISHED SEPARATELY TO THE SECURITIES AND EXCHANGE COMMISSION AS REQUIRED BY RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

Exhibit “3”	Invoicing Procedures (Morocco attached)
Exhibit “4”	Country Specific Terms and Conditions (Morocco attached)
Attachment C	HSES STANDARDS



CONFIDENTIAL TREATMENT REQUESTED. INFORMATION FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED IS OMITTED AND MARKED WITH “[\*\*\*]”. AN UNREDACTED VERSION OF THE DOCUMENT HAS ALSO BEEN FURNISHED SEPARATELY TO THE SECURITIES AND EXCHANGE COMMISSION AS REQUIRED BY RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

## CONDITIONS OF CONTRACT

### CLAUSE 1. DEFINITIONS

In the Contract the following words and expressions shall have the meanings assigned to them, except where the context otherwise requires.

- 1.1 “**Affiliate**” means a legal entity that at any tier Controls, is Controlled by, or is Controlled by an entity that Controls, a Party. For the purposes herein, “**Control**” means the ownership, directly or indirectly, of fifty percent (50%) or more of the voting rights in a legal entity, and as applied to Operator shall mean and include Kosmos Energy Ventures and any company which is directly or indirectly controlled by Kosmos Energy Ventures.
- 1.2 “**B.O.P.**” shall mean blow-out preventers.
- 1.3 “**BOP Event**” shall have the meaning in Clause 5.9(a) of Section 5.
- 1.4 “**BOP Event Rate**” shall have the meaning in Clause 5.9(b) of Section 5.
- 1.5 “**BOP Rerunning Time**” shall have the meaning in Clause 5.9(b) of Section 5.
- 1.6 “**Certification**” shall mean the applicable certifications as required for the Drilling Unit as set forth under Section A of Section 7, Group 1.
- 1.7 “**Claims**” shall mean, unless specifically provided otherwise, all claims (including, but not limited to, those for property damage, pollution (including, without limitation, response costs, remediation costs, and damages to natural resources), bodily injury, personal injury, illness, disease, maintenance, cure, loss of consortium, loss of support, death, and wrongful termination of employment), damages, liabilities, losses, demands, liens, attachments, encumbrances, fines, penalties, causes of action of any kind (including actions in rem or in personam), obligations, costs, judgments, interest and awards (including payment of attorneys’ fees and costs of litigation and investigation) or amounts, of any kind or character (except punitive, indirect, special, consequential or exemplary damages), whether under judicial proceedings, administrative proceedings or otherwise, or conditions in the premises of or attributable to any person or persons or any Party or Parties, breach of representation or warranty (expressed or implied), under any theory of tort, contract, breach of contract (including any Claims that arise by reason of indemnification or assumption of liability contained in other contracts entered into by Operator Group or Contractor Group) arising out of, or incident to or in connection with the Contract or the performance of the Drilling Services under the Contract, including but not limited to Claims that arise out of or are directly or indirectly connected with vessels and/or the ownership, possession, management, manning, maintenance, supply, operation (including but not limited to ingress, egress, loading and unloading operations) or navigation of any vessel.
- 1.8 “**Classification**” shall mean the description of the Drilling Unit as set forth under Section A of Section 7, Group 1.
- 1.9 “**Completion Date**” shall mean the date when the Drilling Unit has completed the last Well and all Operator’s Material’s and Service Company Equipment has been offloaded.

CONFIDENTIAL TREATMENT REQUESTED. INFORMATION FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED IS OMITTED AND MARKED WITH “[\*\*\*]”. AN UNREDACTED VERSION OF THE DOCUMENT HAS ALSO BEEN FURNISHED SEPARATELY TO THE SECURITIES AND EXCHANGE COMMISSION AS REQUIRED BY RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

- 1.10 “**Consequential Loss**” means any damage, loss or injury of whatsoever nature that is consequential, punitive, incidental, special or exemplary, any loss or anticipated loss of profit, loss of production, loss of product, loss or anticipated loss of revenue, spread costs, or diminution in value, and any damage, loss or injury of whatsoever nature due to business interruption, loss of use of any equipment, loss of any contract or other business opportunity and any other indirect loss of a similar nature, whether or not such costs, losses or liabilities are defined and/or characterized as consequential, incidental or indirect by English Law or any applicable Law and whether or not foreseeable.
- 1.11 “**Contract**” shall mean all those documents forming the Contract as stated in Clause 1 of the Agreement set forth in Section 1 and any mutually agreeable and fully executed amendments hereto.
- 1.12 “**Contract Area**” shall mean the waters offshore the country or area specified in **Exhibit “1”** of the Country Contract in which Operator is entitled to conduct drilling operations, or other areas agreed between the Parties.
- 1.13 “**Contract Depth**” shall mean the Depth to which Contractor may be required to carry out the Drilling Services.
- 1.14 “**Contractor Confidential Information**” shall have the meaning set forth under Clause 13.3.
- 1.15 “**Contractor’s Equipment**” shall mean the Drilling Unit together with all the drilling and associated equipment listed in Section 7, Group 2 (hereinafter referred to as the “**Drilling Equipment**”) and Contractor’s stock of spare parts, any tools, machines, and equipment hired by Contractor and Subcontractor’s equipment and tools and any tools, machines, and equipment hired by Subcontractor.
- 1.16 “**Contractor**” shall mean **Alpha Offshore Drilling Services Company**, an exempt company with limited liability incorporated under the laws of the Cayman Islands.
- 1.17 “**Contractor Group**” means collectively, Contractor and its Affiliates, co-owners, representatives, contractors and Subcontractors, along with the officers, directors, agents and Contractor’s Personnel of each, Invitees or any one or more of them, but shall not include any member of Operator Group. Contractor Group shall also mean subcontractors (of any tier) of Subcontractors who are performing Drilling Services at any Contract Area, their Affiliates, their directors, officers and employees (including agency personnel) or any one or more of them.
- 1.18 “**Contractor’s Personnel**” shall mean Contractor’s labour and supervisory personnel including, but not limited to, those types of personnel listed in Section 6.
- 1.19 “**Contractor’s Representative**” shall mean those persons who are appointed as such from time to time by Contractor and whose names have been notified in writing by Contractor to Operator.
- 1.20 “**Country Contract**” means an agreement, between an Operator and a Contractor covering Drilling Services in a single country and such agreement shall be substantially in the form of the agreement attached as Attachment “B” to Section 2 of the Contract and shall be governed by and shall incorporate by reference the terms and conditions set forth in the Contract.

CONFIDENTIAL TREATMENT REQUESTED. INFORMATION FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED IS OMITTED AND MARKED WITH “[\*\*\*]”. AN UNREDACTED VERSION OF THE DOCUMENT HAS ALSO BEEN FURNISHED SEPARATELY TO THE SECURITIES AND EXCHANGE COMMISSION AS REQUIRED BY RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

- 1.21 **“Country of Operations”** means the country name set forth in the Country Contract where drilling operations are to be performed, unless otherwise agreed by the Parties in the Country Contract or a work order to the Country Contract.
- 1.22 **“Co-Venturers”** as applied to Operator shall mean any parties to a joint venture agreement whereby Operator undertakes to act as operator for such participants of any licence block in a Contract Area in which Contractor may be required to perform the Drilling Services.
- 1.23 **“Credit”** shall have the meaning under sub-clause 5.9(a) of Section 5.
- 1.24 **“Damage/Loss Event”** shall have the meaning under sub-clause 3.1(a).
- 1.25 **“Depth”** shall mean the depth of the hole as obtained by measuring the drilling string with a steel tape, using as datum the top of the Rotary Table.
- 1.25 **“Drilling Equipment”** shall have the meaning in Clause 1.15 above.
- 1.26 **“Drilling Services”** shall mean the drilling operations as defined in Section 4, Clause 2.1.
- 1.27 **“Drilling Unit”** shall mean the unit as specified and classified in Section 7 - Group 1.
- 1.28 **“FCPA”** shall mean the provisions of the United States Foreign Corrupt Practices Act of 1977, as amended.
- 1.29 **“Final Thirty Days”** shall have the meaning under Clause 2.2(a)
- 1.30 **“Final Well”** means the last Well completed or operations permanently ceased within the Primary Term of the Contract, the Renewal Option term of the Contract or the 30 days immediately preceding the end of the applicable term, with no right for a geological sidetrack
- 1.31 **“Fishing Operations”** shall have the meaning set forth in Clause 5.3(g) of Section 5.
- 1.32 **“Fishing Rate”** shall have the meaning set forth in Clause 5.3(g) of Section 5.
- 1.33 **“FM Party”** shall have the meaning set forth in Clause 10.
- 1.34 **“Force Majeure Event”** means an event or circumstance beyond the affected Party’s reasonable control, including acts of God, strikes or lockouts (other than among Contractor or its Subcontractors and their respective employees or subcontractors), or civil disturbances, wars or war-like action (whether actual, impending or expected and whether de jure or de facto), insurrection, rebellion or sabotage, arrests, orders or other restraints of governments (civil or military), expropriation or confiscation or seizure, actions of the elements (except waiting on weather in the field), blockades, insurrections, riots, epidemics, quarantines, earthquakes, fires, storms, floods, explosions, nuclear reaction or radiation, radioactive contamination or other causes, but specifically excluding financial distress.
- 1.35 **“Force Majeure Event Rate”** shall have the meaning set forth in Clause 5.3(j) of Section 5.

CONFIDENTIAL TREATMENT REQUESTED. INFORMATION FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED IS OMITTED AND MARKED WITH “[\*\*\*]”. AN UNREDACTED VERSION OF THE DOCUMENT HAS ALSO BEEN FURNISHED SEPARATELY TO THE SECURITIES AND EXCHANGE COMMISSION AS REQUIRED BY RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

- 1.36 “**Government Official**” shall mean: (a) (i) any official, official representative, employee, agent, advisor or consultant of any central, provincial, municipal, local department, agency, state-owned enterprise or corporation, or other government entity or instrumentality of any government; (ii) official, employee, or agent of a political party or any candidate for political office; or (iii) any official or employee or agent of a public international organization (collectively, “**Foreign Official(s)**”); or (b) any person acting in an official capacity for or on behalf of any other Foreign Official.
- 1.37 “**Gross Negligence**” shall mean any act or failure to act (whether sole, joint or concurrent) by any person or entity which was intended to cause or which was in reckless disregard or wanton indifference to harmful consequences such person or entity knew or should have known such act or failure to act would have on the safety or property of another person or entity.
- 1.38 “**Groups**” shall mean either Operator Group or Contractor Group, as applicable.
- 1.39 “**HSES MS**” shall mean Health, Safety, Environment and Security Management Systems, more particularly described under Attachment D under this Section 2.
- 1.40 “**Invitees**” shall mean a person who has an express or implied invitation to enter or use another’s premises (including without limitation, the Drilling Unit), such as a business visitor or a member of the public to whom the premises are held open.
- 1.41 “**Law(s)**” means all applicable laws of the jurisdiction in its broadest sense including without limitation the following: constitutional law, civil law, common law, international law, equity, treaties, statutes, decrees, edicts, codes, orders, rules, ordinances and regulations of any local, municipal, territorial, provincial, state, federated, national or any other duly constituted governmental body, authority, agency or department.
- 1.42 “**Location**” shall mean the location of any Well.
- 1.43 “**Mobilization Commencement Date**” shall have the meaning under Clause 2.3(a).
- 1.44 “**Month**” shall mean a calendar month.
- 1.45 “**Moving Rate**” shall have the meaning set forth in Clause 5.3(d) of Section 5.
- 1.46 “**Mutual Hold Harmless Agreement**” shall have the meaning under Clause 6.2 of this Contract.
- 1.47 “**Nil Rate**” shall have the meaning set forth under Clause 13, Schedule 5.1 of Section 5.
- 1.48 “**Operations Commencement Date**” shall have the meaning set forth in Clause 2.3(d).
- 1.49 “**Operator**” shall mean Kosmos Energy Ventures or any Affiliate thereof.
- 1.50 “**Operator Group**” means collectively, Operator and its Affiliates, co-owners and Co-Venturers, representatives, Service Companies and subcontractors, along with the officers, directors, agents and Operator’s Personnel of each, Invitees or any one or more of them, but shall not include any member of Contractor Group.

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- 1.51 **“Operator Confidential Information”** shall have the meaning set forth under Clause 13.1.
- 1.52 **“Operator’s Materials”** shall mean the equipment, materials, services and supplies to be provided by Operator in Clause 7, Section 4.
- 1.53 **“Operator’s Personnel”** shall mean employees, representatives, agents and Service Companies and other providers as may be engaged by Operator from time to time.
- 1.54 **“Operating Rate”** shall have the meaning set forth in sub-clause 5.3(a) of Section 5.
- 1.55 **“Operator’s Representative”** shall mean those persons who are appointed as such from time to time by Operator and whose names have been notified in writing by Operator to Contractor.
- 1.56 **“Parties”** shall mean Operator and Contractor.
- 1.57 **“Party”** shall mean Operator or Contractor individually.
- 1.58 **“Primary Term”** shall have the meaning under Clause 2.2.
- 1.59 **“Pre-Acceptance Requirements”** shall mean the requirements set forth in Section 8.
- 1.60 **“Provisioning Rate / Deprovisioning Rate”** has the meaning set forth in sub-clause 5.3(b) of Section 5.
- 1.61 **“Punch List”** shall have the meaning under Clause 2.3(c).
- 1.62 **“Redrilling Unit Rate”** shall have the meaning in Clause 5.3(f) of Section 5.
- 1.63 **“REGARDLESS OF FAULT”** shall mean **WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF INCLUDING EVEN THOUGH CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE (WHETHER SOLE, JOINT, CONCURRENT, COMPARATIVE, CONTRIBUTORY, ACTIVE, PASSIVE, OR OTHERWISE), STRICT LIABILITY, OR OTHER FAULT, OF ANY MEMBER OF OPERATOR GROUP AND/OR CONTRACTOR GROUP OR THIRD PARTIES, AND WHETHER OR NOT CAUSED BY A PRE-EXISTING CONDITION OR THE UNSEAWORTHINESS OF ANY VESSEL OR UNAIRWORTHINESS OF ANY AIRCRAFT**
- 1.64 **“Reimbursable Expenses”** shall have the meaning under Clause 12.2.
- 1.65 **“Renewal Option”** shall have the meaning under Clause 2.2(a).
- 1.66 Reserved.
- 1.67 **“Repair Rate”** shall mean the rate which will be applicable during a shutdown in operations for repairs to the Drilling Unit Equipment as set forth in sub-clause 5.3(e) of Section 5.
- 1.68 **“Rules”** shall have the meaning set forth in Clause 22 below.

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- 1.69 “**Service Company(ies)**” shall mean the contractors (including their servants and agents) hired by Operator and providing miscellaneous services in conjunction with the Drilling Services.
- 1.70 “**Shutdown With Crew Rate**” shall have the meaning set forth in sub-clause 5.3(h) of Section 5.
- 1.71 “**Shutdown Without Crew Rate**” shall have the meaning set forth in Clause 5.3(i) of Section 5.
- 1.72 “**Standby Rate**” has the meaning set forth in sub-clause 5.3(3) of Section 5.
- 1.73 “**Subcontractors**” shall mean the contractors hired by Contractor for any services in conjunction with the Drilling Services.
- 1.74 “**Taxes**” has the meaning set forth in Clause 8 below.
- 1.75 Reserved.
- 1.76 “**Third Party**” shall for the avoidance of doubt, mean those parties excluding Contractor Group and Operator Group.
- 1.77 “**Total Loss**” shall have the meaning set forth under sub-clause 3.1 below.
- 1.78 “**Total Loss Expert**” shall have the meaning set forth under Clause 3.1 below.
- 1.79 “**Tubulars**” shall have the meaning set forth under Clause 2.2 of Section 4.
- 1.80 “**WCID**” shall mean Well Construction Interface Document.
- 1.81 “**Well**” shall mean any Operator’s well or drilling Location whether already drilled, or yet to be drilled by Operator in the Contract Area under the terms and conditions of the Country Contract.
- 1.82 “**Willful Misconduct**” shall mean a knowing and intentional act or failure to act, with disregard of the rights or safety of others, knowing that harmful consequences to a person or property will probably result or recklessly disregarding the possibility that harmful consequences will probably result.

Words importing the singular only also include the plural and vice versa where the context requires.

The headings in these Conditions of Contract shall not be deemed to be part thereof or be taken into consideration of construction thereof or of the Contract.

**CLAUSE 2. CARRY OUT DRILLING SERVICES; TERM; PRE-ACCEPTANCE OF THE DRILLING UNIT**

- 2.1 Contractor shall carry out the Drilling Services according to the specifications and instructions issued from time to time by Operator.

2.2 Primary Term and Option to Extend

(a) The initial term of this Contract will begin on the Operations Commencement Date and shall continue for three (3) years thereafter (the “**Primary Term**”). Notwithstanding the foregoing, Operator shall not spud the Final Well within thirty (30) days of the end of the Primary Term or the respective Renewal Term (if applicable) (the “**Final Thirty Days**”) if the planned duration of the Final Well exceeds the end of the Primary Term, or the respective Renewal Term, by more than thirty (30) days. If due to such time limitations Operator is not permitted to spud another Well during the Final Thirty Days, and Operator has completed or permanently ceased drilling operations related to the Final Well before or within the Final Thirty Days, Operator shall have the option to terminate the Contract at or during the Final Thirty Days effective as of the date of completion or cessation of operations of the Final Well. If Operator elects to terminate the Contract at or within the Final Thirty Days, Operator shall notify Contractor in writing and the Contract shall be terminated on the date and hour the Drilling Unit reaches one nautical mile off the location of the Final Well (the “**Final Well Termination Date**”). Contractor shall use its best efforts to move the Drilling Unit one nautical mile off the location of the Final Well as soon as possible once Operator has notified Contractor of Operator’s election to terminate the Contract effective as of the Final Well Termination Date. Operator will be released from further day rate charges for the remaining number of days after the Final Well Termination Date, regardless whether Contractor’s next operator is in a position to commence use of the Drilling Unit as of that date.

(b) Operator shall have the right to extend the term of the Contract beyond the Primary Term for one (1) three (3) year option period by providing Contractor written notice no less than fifteen (15) months prior to the expiration of the Primary Term. The exercised option shall be referred to as the “**Renewal Option**”. The rates for the Renewal Option shall be mutually agreed by the parties at the time of the exercise of the Renewal Option.

2.3 Mobilization and Pre-Acceptance Requirements.

- (a) For the purposes of this Contract, the “**Mobilization Commencement Date**” shall mean the date and hour that the Drilling Unit commences mobilization and departs the Daewoo Shipbuilding & Marine Engineering Shipyard in South Korea for Operator’s first Well location; provided, however, that mobilization of the Drilling Unit shall not commence until after the Pre-Acceptance Requirements have been met, as mutually agreed by the Parties, or, if applicable, the Punch List has been agreed pursuant to subclause (c) below.
- (b) The Pre-Acceptance Requirements, and the completion of same, must be mutually agreed between the Parties. Any amendments to the Pre-Acceptance Requirements requested by either Party prior to the anticipated Mobilization Commencement Date shall be mutually agreed by the Parties and evidenced in an amendment to this Contract fully executed by the Parties.
- (c) If there are minor Pre-Acceptance Requirements that have not yet been completed prior to mobilization and such items can be completed during mobilization of the Drilling Unit to Operator’s first Well, the Parties, by mutual agreement, can create a punch list of such items to be addressed and completed during mobilization (“**Punch List**”). Such Punch List items must be completed before the Operations Commencement Date unless otherwise mutually agreed by the Parties.

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- (d) For the purposes of this Contract, the “**Operations Commencement Date**” shall mean the date and hour when the Drilling Unit is one nautical mile from Operator’s first Well location and has either (i) completed all Punch List items or (ii) the Parties have mutually agreed that the Drilling Unit can perform drilling operations safely and efficiently while the remaining Punch List items are met in accordance with the Parties’ mutually agreed plan. The second BOP must be on board the Drilling Unit by the Operations Commencement Date. In the event the second BOP is not on board the Drilling Unit by the Operations Commencement Date, the Drilling Unit will be accepted by Operator and the Parties will mutually agree to a plan and location for loading the second BOP on the Drilling Unit. Contractor will use best efforts to accomplish delivery of the second BOP as soon as possible after the Operations Commencement Date. The Operations Commencement Date shall be confirmed in writing by Operator’s Representative and Contractor’s Representative.

**CLAUSE 3.            TERMINATION**

3.1    Termination upon Total Loss of Drilling Unit

- (a)    The Contract shall be terminated, effective as of the date of the event creating the damage or loss to the Drilling Unit (the “**Damage/Loss Event**”) upon:
  - (i) the Total Loss of the Drilling Unit; or
  - (ii) at the election of Operator, if (x) the Drilling Unit is damaged so as to prevent it from carrying out the Drilling Services; (y) the Drilling Unit is, in Operator’s sole discretion and opinion, beyond repair; and (z) Contractor has notified Operator (pursuant to sub-clause 3.1(b) below) that the necessary repairs will exceed 365 days.
- (b)    As soon as reasonably possible following the occurrence of the Damage/Loss Event, but in no event later than 15 days after the Damage/Loss Event, Contractor shall engage an independent third party expert (the “**Total Loss Expert**”), reasonably approved by Operator, to assess and determine the condition of the Drilling Unit for purposes of this Clause 3. If Contractor’s insurance underwriters determine that the Drilling Unit is not a Total Loss, the Total Loss Expert shall assess and determine the condition of the Drilling Unit within 6 days of Contractor’s insurance underwriter’s condition determination. Contractor shall then notify Operator in writing, no more than 2 business days after the Total Loss Experts determination, of the results of such assessment and the number of days Contractor and the Total Loss Expert anticipates the necessary repairs and/or replacements will take to complete.
- (c)    In the event Contractor has originally determined the estimated time for the completion of the necessary repairs/replacements to be less than 365 days, but, on the 365<sup>th</sup> day the repairs/replacement are still not complete, Operator shall have the right to terminate this Contract effective as of the date of the Damage/Loss Event by providing written notice to Contractor of such termination.
- (d)    In the event the Contract is terminated pursuant to this sub-clause 3.1, Operator’s obligation to pay the applicable day rate to Contractor shall cease effective as of the date of the Damage/Loss Event, and if Operator has paid any day rate charges for days beyond the date of the Damage/Loss Event, Contractor shall promptly refund such payments to Operator.

In the context of this sub-clause 3.1 “**Total Loss**” shall mean an actual, constructive, compromised or arranged total loss of the Drilling Unit. For purposes of the Contract, a “**Total**



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**Loss Expert**” shall have a certification as a professional engineer with a minimum of 20 years’ experience in assessing conditions of similar type drilling rigs.

3.2 Failure to keep Contractor’s Equipment in Certification

Operator shall have the right to terminate the Contract:

- (a) immediately if Contractor fails to, prior to the Mobilization Commencement Date, give written evidence to Operator that the Drilling Unit has proper Certification;
- (b) by giving Contractor seven days written notice after 10 days of expiry of Certification if Contractor has not commenced action to restore same; or
- (c) by giving Contractor seven days written notice after 30 days of expiry of Certification if the Drilling Unit has not been re-certified.

**CLAUSE 4. ACCESS TO LOCATIONS**

Operator shall secure for Contractor and its Subcontractors rights of access to and from Locations. Operator shall use its reasonable endeavours to advise Contractor of any limitations, restrictions or conditions which may affect such access and Contractor shall abide by such limitations, restrictions and conditions as aforesaid.

**CLAUSE 5. OPTIONAL RIGHTS OF OPERATOR IN THE EVENT OF DEFAULT BY CONTRACTOR; RIGHTS OF CONTRACTOR IN THE EVENT OF DEFAULT BY OPERATOR**

5.1 Unsatisfactory performance by Contractor

In the event that Operator is dissatisfied with the performance of Contractor hereunder on account of unreasonably slow progress or for incompetency or any other reason as a result of causes reasonably within Contractor’s control, Operator shall notify Contractor in writing as to the cause of its dissatisfaction. Should Contractor fail to commence to remedy or refuse or fail to prove to Operator’s reasonable satisfaction that it has taken measures to remedy the matters so specified within a period of not more than seven (7) days from the date of written notice from Operator, or Contractor has failed to complete the remedy within 90 days from the date of such written notice, Operator shall have the right to terminate the Contract upon completion of the current operation then being performed at the time of receipt of the notification of dissatisfaction as aforesaid. Notwithstanding the foregoing, the operations shall continue until the then current Well is placed in a safe state by Contractor and Operator. No further payments shall be due to Contractor other than those outstanding for Drilling Services done prior to the said termination. During the period of time the aforesaid Well is being placed in a safe state, Contractor will not terminate its insurance for the Drilling Unit and will continue to pay the insurance premiums for the benefit of the Drilling Unit. If Contractor receives a notice of termination from its insurance provider for non-payment, Contractor will immediately notify Operator of such notice. In the event Contractor fails to pay such premiums within two (2) business days from the date of notice from the insurance provider, Operator shall have the right to pay those premiums to Contractor’s insurance provider to ensure the continuity of the insurance coverage until the Well is placed in a safe state. In the event of such payment, Operator will deduct such payment from any amounts owed to Contractor under the Contract.

5.2 Contractor’s failure to perform its obligations or to provide Contractor’s Equipment

In the event of Contractor’s failure to perform any of its material obligations or to provide any of Contractor’s Equipment required for the current Drilling Services or in the event that

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Contractor's Equipment fails to meet the manufacturer's rating for such equipment so as to make operations unsafe and to the extent any such failures were not caused by the act or omission of Operator Group, Operator shall notify Contractor in writing specifying such Contractor's Equipment which Contractor has so failed to provide or which fails to meet the said rating, and immediately thereafter Operator shall have the right to exercise one of the following options:

- (a) To shutdown such operations until such time as Contractor shall have rectified the deficiencies in the specified failed Contractor's Equipment whether as to provision or to safety.

For any such period of shutdown Operator shall pay Contractor:

- (i) at the Repair Rate in accordance with Section 5 hereof provided the shutdown is due to a failure of a component of the Drilling Equipment.

In all such instances referred to above, Operator shall have the exclusive right to terminate the Contract any time after a shutdown period has exceeded ninety (90) consecutive days.

In such event, Operator shall not be liable for any further payments to Contractor, other than those outstanding for work done prior to the termination.

- (b) To continue with operations at reduced efficiency as aforesaid and in such event Operator shall have the right to reduce the Rates and Charges in Section 5 by an amount in direct relation to the percentage that operations have in the mutual agreement of Operator and Contractor been so reduced in efficiency or slowed down, provided that if operations are so continued then Operator shall assume liability for any loss of or damage to the hole arising directly out of the continuing of operations with such reduced efficiency and provided further that during such operations so continued Contractor shall continue to rectify the aforesaid failure.
- (c) To hire from the nearest available source satisfactory to Operator and reasonably acceptable to Contractor all such equipment as may be required:
  - (i) arising out of Contractor's failure to provide the Drilling Equipment or any part thereof, until Contractor shall have provided as aforesaid, or
  - (ii) arising out of failure of the Drilling Equipment or any part thereof to meet manufacturer's specifications, until Contractor can demonstrate to Operator that the Drilling Equipment or part thereof does meet the said manufacturer's specifications.

All costs incurred by Operator in hiring and transporting such equipment shall be a debt due to Operator from Contractor and shall be deducted from any monies due to Contractor from Operator.

- (d) Upon mutual agreement of Contractor and Operator, which such agreement shall not be unreasonably withheld, conditioned or delayed, elect not to hire pursuant to (c) above but deduct from monies due to Contractor the cost of hire (from the nearest available source) of equipment listed in Contractor's Equipment but not provided by it.

### 5.3 Breach of the Contract by Contractor

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In the event of a material breach by Contractor of any of the terms and conditions of the Contract, Operator shall have the right to give written notice to Contractor specifying such breach and calling upon Contractor to remedy the breach forthwith and Contractor shall not be entitled to payment for work performed in making good the breach. If after receipt of such notice Contractor does not remedy such breach within a reasonable period (which period Operator shall advise in the aforesaid written notice and which shall take into account the nature of the breach) then Operator may at its own option adopt one of the following provisions:

- (a) terminate the Contract as soon as is practicable on expiry of the said period. After such termination Operator shall not be liable for any payments to Contractor other than those outstanding for Drilling Services done prior to the said termination.
- (b) in the event Operator does not wish to terminate pursuant to (i) above, Operator shall instruct Contractor to shut down Contractor’s Equipment and Operator shall pay Contractor at Shutdown With Crew Rate for such period as Operator requires from the date of such shutdown and thereafter apply the provisions of (i) of this sub-clause.

5.4 Breach of the Contract by Operator

In the event of a material breach by Operator of any of the terms and conditions of the Contract, Contractor shall have the right to give written notice to Operator specifying such breach and calling upon Operator to remedy the breach forthwith. If within seven (7) days after Operator’s receipt of such written notice Operator does not commence to remedy such breach and Operator does not complete such remedy within ninety (90) days of such notice (or such other reasonable period as determined by the Parties), then Contractor may terminate the Contract as soon as practicable on expiry of the said period. After such termination, Operator shall be liable to Contractor for payments owed to Contractor for Drilling Services done prior to the said termination, as well as an amount equal to the number of days remaining in the term of the Contract multiplied by the Standby Rate. Notwithstanding the foregoing payment obligations, in the event Contractor obtains another operator to contract for the use of the Drilling Unit commencing at or after the termination date under this Clause 5.4, any such amounts owed by Operator will be less day rate amounts received by Contractor from the new operator; subject to any cost differences in the operating locations. Contractor shall provide reasonable back-up documentation as requested by Operator in support of the cost differences and new day rate.

**CLAUSE 6. LIABILITIES AND INDEMNITIES**

6.1 Personnel and Third Parties

(a) Notwithstanding Section 6.1 (c) below, **Contractor shall release and protect, defend, indemnify and hold Operator Group harmless REGARDLESS OF FAULT** from and against all Claims, including attorneys’ fees, of every type and character, without limit and **REGARDLESS OF FAULT** thereof, which arise out of or are related in any way to the subject matter of or Drilling Services performed under the Contract and which are raised, asserted or arise in connection with personal injury, illness or death of any member of Contractor Group.

(b) Notwithstanding Section 6.1(c) below, **Operator shall release and, except where one or more of the Operator Group affected is a party to a Mutual Hold Harmless Agreement or substantially similar agreement, protect, defend, indemnify and hold Contractor Group harmless** from and against all Claims, including attorneys’ fees, of every type and character, without limit and **REGARDLESS OF FAULT** thereof, which arise out of or are

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related in any way to the subject matter of or Drilling Services performed under the Contract and which are raised, asserted or arise in connection with personal injury, illness or death of any member of Operator Group.

(c) **Operator and Contractor shall indemnify, defend and hold each other’s respective Groups harmless** from claims, demands and causes of action asserted against the indemnitee by any Third Party for personal injury, illness, death or loss of or damage to property, which arise out of or in connection with the subject matter of or Drilling Services performed under the Contract, any applicable work order or other activities at the Contract Area, to the extent resulting from the indemnitor’s or its Group’s legal fault, negligence, Gross Negligence or breach of contract. Where personal injury, illness or death, or loss of or damage to property is the result of legal fault, negligence or breach of contract of both **Operator Group** and **Contractor Group**, the indemnitor’s duty of indemnification shall be in proportion to its Group’s allocable share of the legal fault, negligence or breach. If a member of either Group is strictly liable under Law, the other Party’s duty of indemnification shall be in the same proportion that its breach of duty contributed to the personal injury, death, or loss of or damage to property for which a Party is strictly liable.

## 6.2 Equipment

(a) Except as otherwise provided in Clause 6.3 below, **Contractor shall release and protect, defend, hold harmless and indemnify Operator Group REGARDLESS OF FAULT** for loss of or damage to **Contractor’s Equipment**.

(b) **Operator shall release and, except where Operator Group member whose property is affected is a party to a Mutual Hold Harmless Agreement or substantially similar agreement, protect, and defend, hold harmless and indemnify Contractor Group REGARDLESS OF FAULT** for loss of or damage to Operator Group’s property intended to be incorporated into or used in or in connection with the Drilling Services performed or to be performed under the Contract or other activities on the Drilling Unit in the Contract Area. As used in this Clause 6, the phrase “Mutual Hold Harmless Agreement or substantially similar” includes an agreement in the form attached as Attachment A or substantially similar thereto, or any other agreement that includes release, defense, and indemnity provisions that are substantially similar to those set forth in Attachment A, or that are in any other form or wording so long as the substantive nature of the provisions is similar to those set forth in Attachment A.

6.3 Lost in Hole. If Contractor’s Equipment are lost in the well hole, and to the extent such loss is not caused by the Gross Negligence or Willful Misconduct of Contractor Group, Operator shall, at its sole option, either endeavor to recover same without cost to Contractor or repair or replace such equipment or instruments, less depreciation. Depreciation shall be calculated monthly from the original purchase date at a rate of two percent (2%) per month up to a maximum of fifty percent (50%).

6.4 Loss of or Damage to the Hole. In the event that the hole should be lost or damaged arising out of operations hereunder due to the Gross Negligence or Willful Misconduct of Contractor’s Group, then Operator may instruct Contractor either to drill a new hole to the depth at which the said loss or damage occurred or to re-drill such section of the damaged hole in both instances at the Redrilling Unit Rate and in accordance with the terms of the Contract.

## 6.5 Underground Damage and Control of Blowout and Pollution

(a) Reservoir Damage. Operator **shall release and protect, defend, hold harmless and indemnify Contractor REGARDLESS OF FAULT** against any damage to or destruction of or loss or impairment of any property right in or to oil, gas or other mineral substance or water if at the time of the act or omission causing such damage,

destruction, loss or impairment the said substance had not been reduced to physical possession above the surface of the seabed, and for any loss or damage to any formation strata or reservoir beneath the seabed resulting from operations under the Contract.

(b) Pollution

- (i) Contractor shall assume all responsibility for, including control and removal of, **AND SHALL ASSUME ALL LIABILITY FOR AND SHALL DEFEND, RELEASE, INDEMNIFY AND HOLD HARMLESS OPERATOR GROUP, REGARDLESS OF FAULT**, from Claims for pollution or contamination originating or emanating above the surface of the water and arising from, by way of example, spills of fuels, lubricants, normal water base drilling fluid and attendant cuttings, motor oils, pipe dope, paints, solvents, ballast, bilge and garbage wholly in Contractor’s or its Subcontractor’s possession and control. For purposes hereof, the term “normal water base drilling fluid and attendant cuttings” means drilling fluid which does not exceed toxicity limits specified for offshore discharge by the environmental protection entity having jurisdiction over the Contract Area.
- (ii) Except as provided in (i) of this sub-clause and unless due to the Gross Negligence and/or Willful Misconduct of Contractor Group, Operator shall assume all responsibility for, including control and removal of and all remediation of, **AND SHALL ASSUME ALL LIABILITY FOR AND SHALL DEFEND, RELEASE, INDEMNIFY AND HOLD HARMLESS CONTRACTOR GROUP, REGARDLESS OF FAULT**, from Claims for pollution or contamination originating for emanating from below the surface of the water, including control and removal of pollution or contamination which may result from fire, blowout, cratering, seepage, or any other uncontrolled flow of oil, gas, wastes or other substance from any Well arising out of the Contract, and Operator shall indemnify and hold harmless Contractor, from and against any and all Claims, from any Party under the Contract or any Third Party (including local authorities) resulting from or connected with the above. In the event such Claims under this Clause 6.5(b)(ii) are due to the Gross Negligence and/or Willful Misconduct of Contractor Group, Contractor shall assume responsibility for the cost of any required removal or remediation up to \$5,000,000.00. Operator shall assume responsibility for the remaining costs exceeding \$5,000,000.00.
- (iii) Notification. Contractor shall immediately notify Operator of all instances of pollution arising out of operations hereunder and confirm such notification in writing to Operator within 24 hours of the event.
- (v) Indemnity Procedures. Each Party shall notify the other Party promptly in writing of any matters in respect of which the indemnity may apply and of which the notifying Party has knowledge in order to allow the indemnitor the opportunity to investigate and defend the matter; provided, however, that the failure to so notify will only relieve the indemnitor of its obligations under this Clause 6 if and to the extent that the indemnitor is prejudiced thereby. The indemnitor shall have the full opportunity to control the response thereto and the defense thereof, including any agreement relating to the settlement thereof; provided, however, that the indemnitee will have the right to participate in any legal proceeding to contest and defend a Claim for indemnification involving a Third Party and to be represented by legal counsel of its choosing, all at the indemnitee’s cost and expense. However, if the indemnitor fails to promptly assume the defense of the

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Claim, the Party entitled to indemnification may assume the defense at the indemnitor’s cost and expense. The indemnitor will not be responsible for any settlement or compromise made without its consent, unless the indemnitee has tendered notice and the indemnitor has then refused to assume and defend the Claim and it is later determined that the indemnitor was liable to assume and defend the Claim. The indemnitee agrees to cooperate in good faith with the indemnitor at the request and expense of the indemnitor. Indemnitor shall provide indemnitee with at least 5 days prior written notice before making any payment under this Clause 6.5.

6.6 Sunken Property. When required by Law or governmental authority or when Contractor’s sunken property interferes with present or future operations of Operator, Contractor shall at its own expense raise and remove the Drilling Unit and any property of Contractor or its Subcontractors which may sink in the course of operations hereunder or in accordance with Operator’s reasonable instructions. In the event that Contractor does not carry out these obligations, Operator may buoy and light the sunken Drilling Unit or property and may remove it (without prejudice to Operator’s rights) and in such event Contractor shall refund to Operator all costs so incurred. The fact that the sunken Drilling Unit or property is insured or has been declared a total loss shall not absolve Contractor from its obligations to raise and/or remove same. This clause shall remain binding on Contractor notwithstanding the termination of the Contract for any reason.

6.7 Willful Misconduct/No Consequential Damages.

(a) **NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE CONTRACT, IT IS EXPRESSLY AGREED THAT NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL LOSS.**

(b) **Except as to Clause 6.5(a) above, the release, defense, and indemnity obligations of Contractor and/or Operator in this Contract shall not apply to the extent the death, illness, injury, damage, or loss to property in relation to which a claim is made is the result of the Willful Misconduct of the person or entity seeking indemnity or release.**

**CLAUSE 7. CONTRACTOR’S INSURANCE**

7.1 Contractor shall take out and maintain appropriate insurance with respect to its liabilities assumed and indemnities given under the Contract and as specifically required in Section 3 of the Contract.

**CLAUSE 8. TAX INFORMATION AND INDEMNITY**

8.1 Contractor Tax Liability. Except as otherwise provided below, Contractor assumes full and exclusive liability for the payment of all taxes including, by way of illustration and not limitation, corporate taxes, personal income taxes, payroll taxes, property taxes, and other direct taxes, as may be imposed on Contractor in the country of Contractor’s registration or in the Country of Operations, which directly result from the carrying out of the Drilling Services by Contractor, whatever may be the methods of assessment, calculation and recovery or any other taxes of similar nature that may be imposed by the Government of the Country of Operations or by any country having jurisdiction to levy such taxes on Contractor as a result of the performance of the Drilling Services under the Country Contract (collectively, “**Taxes**”).

8.2 Indirect Taxes. Rates and prices under the Country Contract do not include any value added tax, turnover taxes, transaction taxes, use taxes, production taxes, consumption taxes, stamp taxes, nor any other taxes of similar nature assessed on supplies, equipment and services to be delivered to Operator or performed under the Country Contract. Contractor shall separately

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state any value added tax or similar tax in its invoice; however, Contractor shall not invoice Operator for any such tax where Operator has furnished evidence of exemption status to Contractor.

8.3 Withholding Taxes. Operator shall have the right to withhold any Taxes and other government assessments on payments to Contractor to the extent required by Law or pursuant to the agreement with a host country and the rate(s) set forth in applicable work orders shall include such withholding taxes and other government assessments. Upon payment of the amount withheld to the appropriate government entity or agency such amount withheld shall be deemed payment to the respective Contractor, and Operator shall have no further obligation to pay such amount to the respective Contractor. Where Operator has withheld amounts due Contractor, Operator shall provide Contractor evidence of such tax withholding in the form of an original tax receipt or other evidence of payment in a timely manner, if requested.

8.4 Receipts. At the request of Contractor, Operator will provide copies of withholding tax receipts issued by the relevant tax authorities together with details of the deductions covered within sixty (60) days of collection of said receipts from the tax authorities. Operator shall make reasonable endeavors to obtain such receipts as soon as possible. In the event Operator withholds Tax in excess of that required by Law, then Operator shall promptly reimburse Contractor for the amounts of Tax, which have been incorrectly withheld. In the event of late payment to the tax authorities having jurisdiction, Operator shall be solely liable for the payment of penalties levied by the relevant tax authorities.

8.5 Tax Indemnities. In addition to the general indemnities in Clause 6, Contractor shall defend, indemnify and hold Operator Group harmless from liability to any competent authority resulting from Contractor’s or Contractor Group’s failure to make timely payment of, or timely filings with respect to, any obligations to pay Taxes incurred in respect to the Drilling Services. Such indemnities shall include all penalties and interest imposed in addition to the Taxes due as a result of Contractor Group’s failure to comply with reporting, filing, payment or procedural requirements. Contractor shall be liable for and shall indemnify Operator Group for any incremental withholding Taxes imposed by an appropriate government entity or agency on payments to Contractor in excess of amounts initially withheld by Operator per sub-clause 8.3 above.

8.6 Import/Export Customs Duties and Fees; Stamp Duties. Where Operator and its contractors (including Contractor) are entitled to exemption from import duty with respect to materials or equipment, Operator shall provide an appropriate letter to enable Contractor to claim such exemption. In any such case, should Contractor, as a result of its Gross Negligence and/or Willful Misconduct, fail to obtain exemption, the cost of the duty shall not be passed on to Operator but shall be the sole responsibility of Contractor. In the event Operator has no import/export exemption then Operator shall pay import/export license fees, import/export duties and stamp duties required to be incurred in respect to the Drilling Services.

8.7 Tax Invoicing. If Contractor has a legal responsibility to collect any Taxes (including but not limited to value added tax, turnover tax, or any other similar indirect tax) directly from Operator for payment to the appropriate taxing authorities, the portion of any payment from Operator to Contractor representing such Taxes shall be separately stated in the invoice. Absent such legal requirement, Contractor shall not identify any separate item constituting Taxes. Operator shall not be obligated to pay invoices that do not comply with invoicing procedures, described in **Exhibit “3”** of the Country Contract or as otherwise agreed by Contractor and Operator in a similar document attached to a work order.

8.8 Future Legislation. If, as a result of any future relevant fiscal legislation, regulation or law, or a change in the interpretation of existing fiscal legislation, regulation or law, after any work order effective date, such future relevant fiscal legislation, regulation or law, or a change in the interpretation of existing fiscal legislation, regulation or law, being such that Contractor has to

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suffer an additional tax burden not included in its prices under any work order, then it is agreed and understood that Contractor will be entitled to revise its prices in order to reflect the impact of such new fiscal legislation, regulation or law, or change in the interpretation of existing fiscal legislation, regulation or law, so that Contractor does not lose nor benefit as a result thereof.

**CLAUSE 9. BANKRUPTCY OR LIQUIDATION**

If Contractor shall become bankrupt or insolvent, or have a receiving order made against it and such order is not dismissed within 90 days of issuance, or voluntarily presents a petition in bankruptcy or makes an arrangement with or an assignment in favour of its creditors, or shall agree to carry out the Contract under a Committee of Inspection of its creditors, or commence to be wound up (not being a member’s voluntary winding up for the sake of reconstruction), or shall carry on its business under a receiver for the benefit of its creditors or any of them, then Operator shall be at liberty either

- (a) to suspend immediately all or any of the operations then in progress and apply the provisions of sub clause 5.1 hereof, or
- (b) to give such receiver, liquidator or any other person in whom the Contract may become vested the option of carrying out the Contract subject to such party providing a guarantee in an amount to be agreed between the Parties for the due and faithful performance of the Contract without prejudice in either event to any right of action or remedy which shall have accrued or shall accrue thereafter to Operator.

**CLAUSE 10. FORCE MAJEURE**

10.1 Except for obligations to pay monies due, either Party will be deemed to be in default hereunder, or will be liable to the other, for failure to perform or delay in performing any of its rights or obligations under the Contract for any period to the extent that such failure results from any Force Majeure Event.

10.2 If a Force Majeure Event occurs, the Party affected by such event will promptly notify the other and describe the circumstances causing the non-performance. A Party rendered unable to perform its obligations by a Force Majeure Event shall be referred to in this Clause as an “**FM Party**”. The rights or obligation(s) of the FM Party unable to perform its obligations hereunder, so far as it is affected by such Force Majeure Event, shall be suspended during the continuation of any inability so caused and such cause shall, as far as practicable, be remedied with all reasonable diligence. The FM Party shall as soon as reasonably possible, give notice in writing to the other Party of such Force Majeure Event and the reasons therefor. The rights and obligations of the Parties as have been thus affected shall be suspended for the duration of such prevention. The FM Party shall keep the other Party reasonably informed as to the status of the Force Majeure Event and all actions being taken by the FM Party to remedy its inability to perform the Drilling Services.

10.3 In the event that Contractor is unable to carry out the Drilling Services by reason of a Force Majeure Event, Operator shall have the right to instruct Contractor to remain on Location or to move to a new location at the Moving Rate as set out in Section 5, sub-clause 5.3(d), shall be payable.

10.4 In the event Operator does not exercise this right and the performance of the Contract has been prevented for not less than one hundred twenty (120) consecutive days then Operator shall have the right to terminate the Contract or continue the Contract at the Standby Rate until such Force Majeure Event has been remedied, by giving written notice to Contractor.

**CLAUSE 11. FREEDOM FROM LIENS**

Without prejudice to any other provision of the Contract, Contractor shall hold harmless and indemnify Operator from and against all liens and attachments by or on behalf of any of Contractor’s suppliers, Contractor’s Personnel or Subcontractors in connection with or arising out of the Contract.



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Operator shall have the right to withhold payment without interest and request Contractor to furnish proof satisfactory to Operator that all Claims for labor, materials or injuries to Third Persons or property are satisfied or discharged. The amounts due Contractor, as herein provided, shall be paid by Operator to Contractor, subject, however, to Operator’s rights to deduct money due it or its Affiliates and to the right of Operator to withhold payments in accordance with the requirements of any applicable Law with respect to liens for labor or material.

Operator acknowledges that the Drilling Unit may be pledged as collateral under a credit facility with Nordea Bank Group, as such credit facility is amended, supplemented or replaced from time to time. Operator agrees that neither it nor the other members of the Operator Group are authorized to, nor shall any of them, create, incur or have imposed upon the Drilling Unit any other liens, charges or encumbrances without the knowledge and written consent of Contractor. Operator shall indemnify and hold harmless Contractor Group from any and all liens, attachments or encumbrances created by Operator Group upon the Drilling Unit during the term of the Contract (except for liens, associated or incurred with the above credit facility), and should a complaint be filed against or an attachment levied upon the Drilling Unit or should the Drilling Unit be seized or held under an alleged unlawful lien or taken into custody by any legal proceeding because of any Claim created or caused to be imposed upon the Drilling Unit by Operator Group without the knowledge and written consent of Contractor, Operator shall, within ten (10) days thereof, cause the Drilling Unit to be released and the lien discharged or sufficiently bond around such lien until it can be discharged.

## CLAUSE 12. INVOICING PROCEDURES

12.1 Invoicing and Payments. Contractor shall invoice and Operator shall pay Contractor prices specified in each specific Country Contract or work order which may be initiated under a Country Contract for Drilling Services that Contractor provides. All payments hereunder shall be made in United States Dollars, unless otherwise specifically agreed by the Parties. Contractor shall follow the invoicing procedure set out in **Exhibit “3”** of the Country Contract when rendering invoices to Operator for Drilling Services under the Country Contract. Except as otherwise expressly provided in the Contract, any amount due to Contractor under the Country Contract and not disputed in good faith by Operator (as provided in sub-clause 12.3 below) will be due and payable within thirty (30) days after Operator has received from Contractor an itemized invoice and supporting documentation for such fees and expenses. In the event Operator fails to make payment when due on the undisputed portion of any invoice, interest at a rate of 1% per month shall accrue on the unpaid amount. No payment by Operator shall limit Operator’s rights to later dispute any of the charges invoiced or to claim unsatisfactory performance under the Contract, the Country Contract or any work order and payment shall not be construed as Operator’s acceptance of the Drilling Services. Upon mutual agreement of Contractor and Operator (in which Contractor shall not unreasonably withhold, condition or delay any such agreement), Operator shall have the right to set off any loss, damage, liability or Claim which it may have against Contractor against payment it owes to Contractor under any of the Contract, the Country Contract or any work order. Contractor shall submit its final invoice for Drilling Services performed within one hundred twenty (120) days of completion of the Final Well and Operator’s acceptance of the Drilling Services associated with each well or within one hundred twenty (120) days of the termination of the Contract or the Country Contract or any then active work order.

12.2 Reimbursable Expenses. Reimbursable Expenses shall be only those expenses which are either (i) approved as a specified category of expenses, or (ii) otherwise pre-approved by Operator in writing prior to Contractor incurring such expenses. “ **Reimbursable Expenses**” shall include transportation from home office in connection with the Drilling Services, travel and subsistence associated with travel, expense of overtime work requiring higher than regular rates if authorized in writing, in advance by Operator. Additionally, Reimbursable Expenses shall include Contractor’s acquisition and or use of non-standard software specifically to support the Drilling Services, subject to Operator’s prior written approval of such software and associated costs.

12.3 Disputed Payments. In the event Operator disputes one or more items in an invoice, Operator shall, within thirty (30) days of receipt of such invoice, notify Contractor of the item or items under dispute and the reasons therefore. Payment of such items may be withheld by Operator until

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settlement of the dispute. The undisputed amount, however, shall be paid as provided herein. Payments made hereunder shall not in any event prejudice the right of Operator to question the propriety or accuracy of any charges in respect of which any such payment was made in the exercise of Operator’s right to audit under Clause 24.

**CLAUSE 13. CONFIDENTIAL INFORMATION**

13.1 Confidential Information Definition. Contractor shall hold in confidence all business and technical information that is made available to Contractor, directly or indirectly, by Operator or developed or acquired by Contractor in performing Drilling Services under the Contract, including the Country Contract (collectively “**Operator Confidential Information**”), except:

- (a) information which is or becomes, without fault of Contractor, part of the public domain;
- (b) information which Contractor can show was received by Contractor from an independent Third Party that is under no obligation to Operator or any Affiliate regarding the information; or
- (c) information which Contractor can show was already in Contractor’s possession at the time the information was made available to Contractor, directly or indirectly, from Operator or its Affiliates.

Additionally, if so required by Law or valid legal or regulatory process, including the rules of any applicable stock exchange, Contractor may disclose Operator Confidential Information, but only following written notice by Contractor to Operator of the requirement to disclose and reasonable cooperation with any attempt by Operator to maintain the confidentiality of such Operator Confidential Information.

13.2 Contractor’s Use of Confidential Information. Contractor shall not, without the prior written approval of Operator as appropriate, use the Operator Confidential Information which Contractor is required to keep confidential hereunder for any purpose other than the performance of Drilling Services under the Contract, including the Country Contract or any work order.

13.3 Contractor’s Information. Operator shall hold in confidence all business and technical information that is made available to Operator, directly or indirectly, by Contractor (but excluding data or other information about the Wells), including the Country Contract (collectively “**Contractor Confidential Information**”), except:

- (a) information which is or becomes, without fault of Operator, part of the public domain;
- (b) information which Operator can show was received by Operator from an independent Third Party that is under no obligation to Contractor or any Affiliate regarding the information; or
- (c) information which Operator can show was already in Operator’s possession at the time the information was made available to Operator, directly or indirectly, from Contractor or its Affiliates.

Additionally, if so required by Law or valid legal or regulatory process, including the rules of any applicable stock exchange, Operator may disclose Contractor Confidential Information, but only following written notice by Operator to Contractor of the requirement to disclose and reasonable cooperation with any attempt by Contractor to maintain the confidentiality of such Contractor Confidential Information.

13.4 Operator’s Use of Confidential Information. Operator shall not, without the prior written approval of Contractor, as appropriate, use the Contractor Confidential Information which Operator

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is required to keep confidential for any purpose other than the performance of Drilling Services under this Contract, including the Country Contract or any work order.

**CLAUSE 14. PUBLICITY**

Contractor shall not publish or permit to be published either alone or in conjunction with any other person any articles, photographs or other illustrations relating to the Drilling Services hereunder, or Operator’s business generally, without prior reference to and approval in writing from Operator. Such consent shall only apply to each specific application and relate only to that application. The accuracy of any information which was not supplied directly by Operator shall be the absolute notices on any information, no matter the form of its recording that Contractor provides to Operator hereunder.

Contractor shall not, without the prior written consent of Operator, to be given or withheld in Operator’s sole discretion:

- (a) use the name or any trade name or trademark of Operator or other Affiliate in any advertising or communications to the public in any format except as necessary to perform the Drilling Services; or
- (b) make publicity releases or announcements regarding the Contract, the Country Contract, any work order, Drilling Services rendered under any work order, or any related activities, except to the extent required by Law. In the event of any disclosure as may be required by Law, Contractor will provide Operator prior written notice (including details concerning the circumstances of that disclosure), to the extent permitted by Law.
- (c) Additionally, in the event Contractor wishes to make any disclosure, including without limitation, any required by Law, with respect to the Southern Provinces of Morocco (the Western Sahara), such proposed disclosure shall be submitted to Operator in writing at least two (2) business days prior to the date of the disclosure, and Contractor shall use its best efforts to coordinate with Operator in the preparation and drafting of such disclosure.

Contractor shall cause its Subcontractors to comply with these requirements and these requirements shall continue notwithstanding the completion or termination of the Drilling Services under the Contract.

**CLAUSE 15. ASSIGNMENT AND SUB-CONTRACTING**

15.1 Assignment

Contractor shall not without the prior written consent of Operator assign the Contract or any part thereof or any benefit or interest therein or thereunder to any Third Party. Such consent shall not be unreasonably withheld. Notwithstanding the foregoing, Contractor shall have the right to assign the Contract or any part thereof or any benefit or interest therein or thereunder to an Affiliate upon prior written notice to Operator.

Operator may assign the whole or part of its rights, liabilities and obligations (a) to an Affiliate or business unit of Operator, or (b) pursuant to a change of control of Operator, a reorganization of Operator, or a transfer or sale of any business unit, line of business, product line, or substantial portion of its assets, without the consent of Contractor. Any other Third Party assignment or transfer may be done with the prior written consent of Contractor, provided such consent shall not be unreasonably withheld, conditioned or delayed. It is further understood that the Contract will not be assigned for work in Nigeria or Angola.

15.2 Sub-Contracting

Contractor shall not enter into any subcontract for the whole or any part of its obligations under the Contract without the prior written consent of Operator provided such consent shall not be

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unreasonably withheld. Such consent if given shall not relieve Contractor from any liability or obligation under the Contract and Contractor shall be responsible for the acts, defaults and negligence of any Subcontractor, its personnel or agents as fully as if they were the acts, defaults or neglects of Contractor or Contractor’s Group. Notwithstanding the foregoing, Contractor shall not be required to obtain Operator’s prior written consent with respect to subcontracts relating to catering, personnel, logistics and equipment rental, labor or maintenance. If during the Primary Term, or any exercised Renewal Term, Operator notifies Contractor of a material issue with one or more Subcontractors, Operator and Contractor shall work together to determine the appropriate action to take and if the Parties agree that the issue may be remedied, Contractor will strive to have such issues resolved by the Subcontractor(s) within a reasonable period of time, to be agreed between the Parties. In the event it is determined by the Parties that such issue cannot be remedied or there is an immediate safety and risk concern, Contractor shall replace such Subcontractor with another subcontractor with the appropriate qualifications related to the services such Subcontractor is providing. In the event Contractor is having difficulties engaging a replacement Subcontractor, Contractor shall continue to update Operator on a day to day basis. If the issue related to such Subcontractor prohibits performance of the Drilling Services in a safe and efficient manner, and Contractor has failed to engage a qualified replacement within thirty (30) days from the date Operator informed Contractor of the issue, Operator will pay the Nil Rate.

Contractor shall ensure that each of its Subcontractors comply with the terms and conditions of the Contract. Contractor shall ensure that Subcontractor’s personnel (where applicable) are made aware of, and follow the provisions for Fire and Safety Precautions and Emergency Procedures as set out in Section 4 along with training related to compliance with Business Standards as set forth in Clause 26 below.

**CLAUSE 16. APPLICATION OF LAWS**

Contractor shall comply with all Laws applicable to Contractor’s business, Contractor’s Equipment and Contractor’s Personnel engaged in the operations hereunder. Contractor shall promptly advise Operator of any such Laws with which it believes it is unable to comply. Operator shall comply with all Law applicable to Operator’s business and Operator Group’s Personnel engaged in the operations hereunder. Operator shall promptly advise Contractor of any such Laws with which it believes it is unable to comply.

Contractor shall ensure that Contractor’s Personnel, Subcontractors and agents observe all such Laws and shall at Contractor’s expense replace any Contractor’s Personnel or Subcontractor’s personnel or agents whose conduct or behaviour may reasonably be considered by Operator to be in breach or conflict with such Laws.

**CLAUSE 17. NOTICES**

All notices to be given with respect to the Contract shall be considered as given to Operator and to Contractor, respectively, if given in writing, in English, and delivered (a) personally; (b) sent by internationally-recognized courier service, or (c) by any electronic means of transmitting written communications which provides written confirmation of complete transmission, and properly addressed to the other Party as shown below. **Notwithstanding the foregoing, neither oral nor email messages constitute notice for purposes of the Contract.** A notice given under any provision of the Contract or the Country Contract, as applicable, shall be deemed delivered only when received or refused receipt by the Party to whom such notice is directed. “Received” for purposes of the Contract or the Country Contract shall mean actual delivery of the notice to the address or facsimile address of the Party shown below. All notices to be given under the Contract shall be prepared in accordance with this Clause and sent to:

Operator:  
Kosmos Energy Ventures  
c/o Wilmington Trust (Cayman), Ltd.

Copy to:  
Kosmos Energy Ventures  
c/o Kosmos Energy, LLC

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Suite 409  
Century Yard, Cricket Square  
Hutchins Drive  
George Town, Grand Cayman  
Attn: General Counsel  
Phone:  
Fax: 345-945-3241  
Email:  
kosmosgeneralcounsel@kosmosenergy.com

8176 Park Lane, Suite 500  
Dallas, Texas 75231  
Attn: General Counsel  
Phone: 214-445-9600  
Fax: 214-445-9705  
Email:  
kosmosgeneralcounsel@kosmosenergy.com

Contractor:

Copy to:

Alpha Offshore Drilling Services Company  
c/o Atwood Oceanics (M) Sdn Bhd  
332A-11C 11<sup>th</sup> Floor  
Plaza Ampang City  
Jalan Ampang  
50450 Kuala Lumpur  
Malaysia

Atwood Oceanics Management, Inc.  
15835 Park Ten Place Drive  
Houston, Texas 77054  
Attn: General Counsel

Attn: International Marketing Manager  
Phone: +60 3 2773 9714  
Fax: +60 3 4257 9208  
Email: tdyne@atwd.com

Phone: 281-749-7825  
Email: dbaker@atwd.com

Notices to be given under the Country Contract shall be given to the addresses as set forth in the Country Contract.

**CLAUSE 18. VARIATION AND WAIVER**

No variation or waiver of any obligation hereunder shall be valid or effective unless confirmed in writing in the case of a variation by all Parties and in the case of a waiver then by the Party towards whom the obligation shall have been undertaken.

**CLAUSE 19. INDEPENDENT CONTRACTOR RELATIONSHIP**

19.1 In the performance of the Drilling Services, Contractor shall be an independent Contractor with the authority to control and direct the performance thereof, but the Drilling Services shall be subject to the approval of Operator and be subject to a general right of inspection and any necessary supervision thereof which Operator may choose to exercise if necessary to secure the satisfactory completion thereof.

19.2 The actual performance and superintendence of the Drilling Services hereunder shall be by Contractor but Operator Representative shall at all times have access to all parts of the Drilling Unit for the purpose of inspecting Contractor's Equipment or observing tests or inspecting the Drilling Services in order to judge whether in Operator's opinion Contractor's Equipment is complete and in an efficient operating condition and whether the Drilling Services are being performed by Contractor in accordance with the provisions of the Contract. In addition, operations shall be carried out at the request and in accordance with the instructions of Operator's Representative who shall inform Contractor's Representative of the end result desired from any operation, but Contractor shall have the entire responsibility for the proper and timely execution thereof.

19.3 Contractor shall give all reasonable assistance to Operator's Representative in the performance of Operator's Representative's duties. However, the presence of and/or inspection and/or supervision by Operator's Representative hereunder shall not relieve Contractor of any of its obligations or responsibilities hereunder.

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**CLAUSE 20. INFRINGEMENT OF PATENTS**

Contractor shall save, hold harmless and indemnify Operator from and against all Claims for or on account of infringement or alleged infringement of any patent, rights, design, trade mark or name or other protected right of any Third Party arising in connection with the use by Contractor of any Drilling Equipment, materials or process(es) provided by Contractor during the course of the Drilling Services and shall defend at its sole expense at any and all such proceedings to which both Parties are defendants. Both Contractor and Operator shall at all times have the right to be represented respectively by their own counsel and to participate in the defence of any such proceedings if both shall be made parties defendant thereto. Contractor shall give notice in writing forthwith to Operator of any such Claims and proceedings as aforesaid and shall supply Operator with all information and documents in connection therewith as Operator may reasonably require.

Operator shall save, hold harmless and indemnify Contractor from and against all Claims for or on account of infringement or alleged infringement of any patent, rights, design, trade mark or name or other protected right of any Third Party arising in connection with the use by Contractor of any Operator’s Materials or process(es) provided by Operator to Contractor and shall defend at its sole expense at any and all such proceedings to which both Parties are defendants. Both Contractor and Operator shall at all times have the right to be represented respectively by their own counsel and to participate in the defence of any such proceedings if both shall be made parties defendant thereto. Operator shall give notice in writing forthwith to Contractor of any such Claims and proceedings as aforesaid and shall supply Contractor with all information and documents in connection therewith as Contractor may reasonably require.

**CLAUSE 21. APPLICABLE LAW**

The validity, interpretation and construction of the Contract, the Country Contract and any work order shall be governed by and construed in accordance with the Laws of England and Wales, without resort to any choice of laws provision and without reference to the UN Convention on Contracts for the International Sale of Goods; provided however that, the Parties acknowledge and agree that if the Laws of a country in which the Drilling Services is to be performed mandate that the Country Contract be governed by the Laws of such country, then the latter Law will govern the validity, interpretation and construction of the Contract, the Country Contract and any work order.

**CLAUSE 22. ARBITRATION**

Any dispute or difference arising out of or relating to the Country Contract (regardless of the nature of the question or dispute) shall be finally settled (by arbitration only) in accordance with the Rules of Arbitration of the International Chamber of Commerce (the “**Rules**”) in force at the date of the Country Contract by three (3) arbitrators or, if the Parties to the dispute or difference agree otherwise, by a sole arbitrator, appointed in accordance with the Rules. The arbitration proceedings shall be held in London, England, and shall be conducted in the English language. Awards shall be reduced in writing, and shall be final and binding on the Parties from the date they were made without the right of appeal, except where there is serious irregularity. A dispute shall be deemed to have arisen when either Party notifies the other in writing to that effect. Any monetary award issued by the arbitrator shall be payable in U.S. Dollars. The arbitrators are not empowered to award consequential, indirect, special, punitive or exemplary damages, and each Party hereby irrevocably waives any damages in excess of actual damages. The arbitrator or arbitrators shall certify in the award that only those damages authorized by this Clause were awarded. The Parties undertake to carry out the award without delay. Judgment upon the award may be entered in any court having jurisdiction.

**CLAUSE 23. EXCLUSION OF PREVIOUS CORRESPONDENCE**

All previous correspondence, negotiations, representations, explanations, statements, promises or guarantees whether oral or written are hereby excluded from the Contract.

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**CLAUSE 24.            AUDIT**

24.1            Inspection. Operator or its designee shall have the right to inspect Contractor’s Equipment or other material, or any Drilling Services performed, furnished by Contractor or any Subcontractor, along with any premises, including but not limited to offices, workshops, warehouses and any other locations which are in any way associated with the execution of the Drilling Services at any time during the performance of the Drilling Services by Contractor, Contractor’s Personnel or Subcontractors. No inspection or approval of any of Contractor’s Equipment or Drilling Services performed furnished will relieve Contractor or Subcontractors of their obligations and warranties as required by the Contract, the Country Contract or any work order. Contractor shall promptly remedy to Operator’s reasonable satisfaction, but at no cost to Operator any deficiency objected to by Operator for properly substantiated cause.

24.2            Audit.

(a)            Contractor shall maintain and preserve, and shall cause its Subcontractors to maintain and preserve, consistent with generally accepted accounting practices, accurate documentation and data (including but not limited to written and electronic records, books of account, correspondence, plans, permits, licenses, drawings, payroll records, memoranda, receipts, and documentation of related systems and controls) pertaining to the performance of the Drilling Services under the Country Contract and any work order, as well as any gift or entertainment expenses incurred by Contractor or its Subcontractors pertaining to the Drilling Services under the Country Contract and/or any work order. Where work is billable under lump sum or fixed rates, Contractor shall permit an Operator’s auditors/representatives to have sufficient access to verify that billing calculations and/or application of the lump sum/fixed unit rate amounts are accurate, and that the Drilling Services (quantity and quality) covered by the lump sum/fixed unit rates has been provided and has not been separately billed on some other basis.

(b)            Upon prior written notice and during normal business hours, Contractor shall permit, and shall cause its Subcontractors to permit, Operator or Operator’s employee, representative or agent to have access to its and their offices and work locations to examine, reproduce and retain copies of such documentation and data and to interview Contractor’s Personnel and Subcontractors’ personnel in connection therewith, as necessary for Operator to verify and monitor Contractor Group compliance with the terms of the Contract (including Clause 26) and the Country Contract and any applicable Work Order. Where Drilling Services is billable under fixed rates, Operator’s auditors shall have sufficient access to those rates to satisfy themselves that Drilling Services provided thereunder has not also been separately billed on some other basis (e.g., a reimbursable basis).

(c)            The provisions of this Clause shall be applicable during the term of the Country Contract, including the Renewal Option, and for a period of three (3) years thereafter. If errors or deficiencies are identified by an audit or otherwise, Contractor shall take prompt corrective action and advise Operator thereof.

(d)            Operator shall not be liable for Contractor’s or its Subcontractors’ costs resulting from an audit hereunder.

**CLAUSE 25            MISCELLANEOUS**

25.1            Third Party Beneficiaries. The Contract and each Country Contract is made for the benefit of the Parties and their successors and permitted assigns. The undertakings and acknowledgments given by Contractor hereunder are given to Operator and for the benefit of each Operator Affiliate. Each Operator Affiliate may enforce the terms of this letter by virtue of the Contract (Rights of Third Parties) Act 1999. Each member of Operator Group or Contractor Group, as applicable, may enforce the terms of Clause 6 and by virtue of the Contract (Rights of Third Parties) Act 1999.

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Subject to this, a person who is not a Party to the Contract or the Country Contract has no right under that Act to enforce or enjoy the benefit of any term of the Contract or the Country Contract, respectively. Notwithstanding any provisions of the Contract, the Parties to the Contract or the Country Contract do not require the consent of any Third Party to rescind or vary the Contract or the Country Contract, respectively, at any time. The interpretation of the Contract or the Country Contract shall exclude any rights under legislative provisions conferring rights under a contract to persons not a party to that contract.

25.2 Contract Precedence. In the event of a conflict between any terms of this Clause 25.2 and the terms of an Attachment or a Section, the terms of this Clause 25.2 shall take precedence and govern over the terms of the Attachment or Section(s). In the event of a conflict between any terms of this Clause 25.2 and a Country Contract, the terms of the Country Contract shall take precedence and govern. In the event of a conflict between any terms of the Country Contract and the terms of an Exhibit or any work order, the terms of the Country Contract shall take precedence and govern over the terms of an Exhibit or any work order.

Notwithstanding anything to the contrary in the Country Contract, any work order may take precedence and govern over a provision of the Country Contract for purposes only for that specific work order in order to modify the Drilling Services as described in any such work order or pricing related thereto.

25.3 Entire Agreement. The Contract, along with the Attachments hereto, constitutes the entire agreement between Operator and Contractor and it supersedes all prior negotiations, representations or agreements, either oral or written, related to the Contract.

25.4 Survivorship. The following provisions shall survive any expiration or termination of the Contract or the Country Contract: Liabilities and Indemnities, Contractor’s Insurance; Tax Information and Indemnity; Freedom from Liens; Confidential Information; Publicity; Notices; Applicable Law; Arbitration; Audit and Business Standards.

25.5 Interpretation.

- (a) Index — Headings. The index to the Contract and headings and subheadings of Clauses are used for convenience and ease of reference only and shall not be used to construe or interpret the provisions of the Contract.
- (b) Singular and Plural. Reference to the singular includes a reference to the plural and vice versa.
- (c) Include and Including. The words “include” and “including” shall have an inclusive meaning and are used in an illustrative sense and not a limiting sense so that they do not limit the generality of the description following such term.

25.6 Counterpart Execution. The Contract may be executed in any number of counterparts and by different parties on separate counterparts. Each of such counterparts shall be deemed to be an original, and all of such counterparts, taken together, shall constitute but one and the same agreement. Delivery of an executed counterpart of the Contract delivered by electronic transmission shall be equally effective as delivery of a manually executed counterpart.

## **CLAUSE 26 BUSINESS STANDARDS**

26.1 Gratuities. Contractor shall not, either directly or indirectly, pay any commission or fees or grant any rebates or other remuneration or gratuity to any employee, agent or officer of Operator or other Affiliate member. Contractor shall cause its Subcontractors (and all other members of the Contractor Group) providing Drilling Services hereunder to be bound by the same obligations as Contractor under this Clause 26.



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26.2 Contractor Anti-Corruption Covenants. Contractor makes the following representations and warranties and undertakes to perform the covenants set out below:

(a) Contractor is familiar with, and has reviewed, understands and will comply with, the provisions of the United States Foreign Corrupt Practices Act of 1977, as amended (“FCPA”).

(b) None of Contractor Group has made and will not make, directly or indirectly, in connection with the Contract, the Country Contract or any work order any offer, payment, loan, bribe, facilitating payment or gift of anything of value to a Government Official, to an immediate relative of a Government Official, or to any other person while knowing or having reasons to suspect that any part of such offer, payment, loan, bribe, facilitating payment or gift will be given or promised to a Government Official, the offer, payment, loan, bribe, facilitating payment or gift of which would (1) violate any Law; (2) be contrary to or in violation of the principles set forth in the United Nations Convention Against Corruption that were entered into force on December 14, 2005, and the African Union Convention on Preventing and Combating Corruption that were entered into force on August 5, 2006; (3) violate the FCPA, UK Bribery Act 2010, or any other applicable anti-corruption Law; or (4) cause any of the Parties or any of their respective parent or affiliated companies (or any of their respective officers, directors, employees or agents) to be in violation of the FCPA, UK Bribery Act 2010 or any other applicable anti-corruption Law.

(c) No member of Contractor Group nor any owner of any beneficial interest in a member of Contractor Group is or will become a Government Official or an immediate relative of a Government Official, and no Government Official, or any immediate relative of a Government Official, directly or indirectly owns, holds or controls or will own, hold or control any interest in any Contractor Group entity, other than as a shareholder holding less than five percent (5%) of the shares of a publicly traded company. Contractor agrees to promptly notify Operator if a Government Official becomes a director or officer of, or acquires ownership of any beneficial interest in Contractor Group.

(d) Notwithstanding any other provision of the Contract, Operator may terminate the Contract and any Country Contract or work order if Contractor breaches its representations, warranties and covenants under this sub-clause 26.2. In the event of any breach by Contractor (or any member of Contractor Group) of this sub-clause 26; (i) Operator shall have no further obligation to pay the compensation provided for in the Country Contract or any applicable work order, as the case may be; (ii) Contractor shall repay Operator the amount of funds or value paid by Contractor to a Third Party in breach of this sub-clause 26.2; and (iii) Contractor shall hold harmless and indemnify Operator Group for any losses, liabilities, costs, expenses (including attorneys’ fees and court costs), penalties and sanctions related to or arising out of Contractor’s breach of this Clause. Upon reasonable prior written notice, Operator or its designated agents shall be permitted access to all books and records of Contractor reasonably related to compliance with this Clause, any payment made in connection with provision of the Drilling Services, and/or the performance by Contractor of the Drilling Services, including for the purpose of auditing such books and records. Contractor will conduct annual FCPA training of its Contractor Group.

(e) Promptly following Operator’s request in writing, Contractor agrees to provide a written certification as to whether Contractor is in compliance with this Clause.

26.3 Operator Anti-Corruption Covenants. Operator makes the following representations and warranties and undertakes to perform the covenants set out below:

(a) Operator is familiar with, and has reviewed, understands and will comply with, the provisions of the FCPA.

(b) None of Operator Group has made and will not make, directly or indirectly, in connection with the Contract, the Country Contract or any work order any offer, payment, loan, bribe, facilitating payment or gift of anything of value to a Government Official, to an immediate

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relative of a Government Official, or to any other person while knowing or having reasons to suspect that any part of such offer, payment, loan, bribe, facilitating payment or gift will be given or promised to a Government Official, the offer, payment, loan, bribe, facilitating payment or gift of which would (1) violate any Law; (2) be contrary to or in violation of the principles set forth in the United Nations Convention Against Corruption that were entered into force on December 14, 2005, and the African Union Convention on Preventing and Combating Corruption that were entered into force on August 5, 2006; (3) violate the FCPA, UK Bribery Act 2010, or any other applicable anti-corruption Law; or (4) cause any of the Parties or any of their respective parent or affiliated companies (or any of their respective officers, directors, employees or agents) to be in violation of the FCPA, UK Bribery Act 2010 or any other applicable anti-corruption Law.

(c) No member of Operator Group nor any owner of any beneficial interest in a member of Operator Group is or will become a Government Official or an immediate relative of a Government Official, and no Government Official, or any immediate relative of a Government Official, directly or indirectly owns, holds or controls or will own, hold or control any interest in any Operator Group entity, other than as a shareholder holding less than five percent (5%) of the shares of a publicly traded company. Operator agrees to promptly notify Contractor if a Government Official becomes a director or officer of, or acquires ownership of any beneficial interest in Operator Group.

(d) Notwithstanding any other provision of the Contract, Contractor may terminate the Contract and any Country Contract or work order if Operator breaches its representations, warranties and covenants under this sub-clause 26.3. In the event of any breach by Operator (or any member of Operator Group) of this sub-clause 26.3; (i) Contractor shall have no further obligation to provide the Drilling Services under the Country Contract or any applicable work order, as the case may be; and (ii) Operator shall hold harmless and indemnify Contractor Group for any losses, liabilities, costs, expenses (including attorneys’ fees and court costs), penalties and sanctions related to or arising out of Operator’s breach of this Clause. Upon reasonable prior written notice and during normal business hours, Contractor or its designated agents shall be permitted access to all books and records of Operator reasonably related to compliance with this Clause, any payment made in connection with provision of the Drilling Services, and/or the performance by Operator of the Drilling Services, including for the purpose of auditing such books and records. Contractor will provide Operator a minimum of thirty (30) days written notice prior to any date Contractor desires to access the books and records. Operator will conduct annual FCPA training of its Operator Group.

26.4 Compliance with Law. Contractor agrees to comply with all Laws which are now or may, in the future, become applicable to Contractor, Contractor’s business, Contractor’s Equipment and Contractor’s Personnel engaged in the performance of the Contract or the Country Contract or any applicable work order, or arising out of or incident to such performance; provided however, notwithstanding anything to the contrary in the Contract, the Country Contract or applicable work order, Contractor shall not take any action that is prohibited by or penalized under the Laws of the United States. Operator agrees to comply with all Laws which are now or may, in the future, become applicable to Operator, Operator’s business, Operator’s Materials and Operator’s Personnel engaged in the performance of the Contract or the Country Contract or any applicable work order, or arising out of or incident to such performance; provided however, notwithstanding anything to the contrary in the Contract, the Country Contract or applicable work order, Operator shall not take any action that is prohibited by or penalized under the Laws of the United States.

26.5 Compliance with US export regulations. Operator and Contractor understand that the provision of deliverables under the Contract or the Country Contract may be subject to United States export and re-export Laws. Operator and Contractor each agree to abide by any restrictions or conditions respecting the export, re-export, or other transfer of the deliverables that are in effect now or are hereafter imposed by the U.S. Government, and will not export, re-export or otherwise transfer the deliverables except in full compliance with all relevant U.S. Laws. These restrictions and conditions include, but are not limited to, (a) restrictions and export licensing requirements governing the export, re-export, or other transfer to other persons, entities, or countries of the deliverables, (b) restrictions and export licensing

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requirements governing the export or other transfer of foreign developed information that incorporates the deliverables, (c) any applicable U.S. restrictions on the export, re-export, or other transfer of the deliverables to countries, entities and persons that are subject to U.S. sanctions, embargoes, or other prohibitions, and (d) any applicable U.S. restrictions on the export or other transfer of the direct product of U.S. origin technical data.

26.6 Equal Employment Opportunity. Contractor shall comply with all equal opportunity Laws of the country in which the Drilling Services are performed. Contractor shall make reasonable efforts to hire, train and educate citizens of the country in which the Drilling Services are performed.

## **CLAUSE 27 COUNTRY SPECIFIC CONTRACT, ASSIGNMENT OF AGREEMENT**

27.1 Country Specific Contract. The Contract is a global master contract between Operator and Contractor to set forth the general terms and conditions which shall govern the provision of the Drilling Services to Operator or an Affiliate of Operator by Contractor or its Affiliate pursuant to a Country Contract arising only in accordance with and subject to the provisions of the Contract. Operator and Contractor agree that during the term of the Contract, any and all Drilling Services which may be requested by Operator shall be performed by Contractor under the form of Country Contract attached hereto as Attachment “B”, which shall be country-specific and shall be governed by and incorporate by reference the terms and conditions set forth in the Contract.

27.2 Operator and Rights of Assignment. Operator may novate or assign the Contract, the Country Contract or any work order, (a) to an Affiliate or another entity or business unit of Operator or (b) pursuant to a change of control of Operator, a reorganization of Operator, or a transfer or sale of any business unit, line of business, product line, or substantial portion of its assets, without such Contractor’s consent. Operator shall not assign the Contract or the Country Contract to unrelated Third Parties, without prior written approval of Contractor, not to be unreasonably withheld or delayed. It is further understood that the Contract will not be assigned for work in Nigeria or Angola.

27.3 Contractor Right of Assignment and Subcontracting. Except as permitted under Clause 15.1, Contractor agrees not to assign the Contract, the Country Contract or any work order without the express prior written approval of Operator, and the assignment of the Contract or the Country Contract if so approved by Operator, shall not relieve Contractor of its duties or obligations thereunder. Except as permitted under Clause 15.2, Contractor agrees not to subcontract any Drilling Services to be furnished under the Country Contract without the express prior written approval of Operator, and the subcontracting if so approved by Operator, shall not relieve Contractor of its duties or obligations thereunder. If Contractor subcontracts or assigns the Country Contract or any Drilling Services to be furnished thereunder without such consent and violates the provisions of Clause 15.2, the Country Contract may be immediately terminated at the option of Operator notwithstanding anything in the Country Contract to the contrary. The consent of a Party to any assignment of the Country Contract shall not constitute such Party’s consent to further assignment. The Country Contract shall be binding on the Parties and their respective successors and permitted assigns.

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**CLAUSE 28 — HEALTH, SAFETY, ENVIRONMENT AND SECURITY AND WELL INTEGRITY**

28.1 Contractor’s Responsibilities. Contractor shall be responsible for providing a healthy and safe work place and working environment for Contractor’s Personnel, Subcontractors, Operator Group and other Third Parties, as applicable, during performance of the Drilling Services. Contractor shall endeavor to protect the health and safety of Contractor’s Personnel, Subcontractors’ and Operator’s employees, the public, and other Third Parties from any danger associated with the Drilling Services. Contractor’s practices employed to perform the Drilling Services are considered part of the working environment. All tools, equipment, facilities and other items used by Contractor shall be designed, installed, operated and maintained to industry standards and be free of recognized hazards. Contractor shall adopt methods, procedures and precautions that are necessary to comply with the provisions in this Clause. Contractor shall report all accidents, injuries and near-misses arising out of the performance of Drilling Services under the Country Contract or any work order promptly to Operator and to governmental authorities as required by Law.

28.2 Contractor agrees that it shall implement programs to ensure the testing, education, training and monitoring of Contractor’s Personnel and Subcontractors’ personnel (and all Contractor Group) in the prohibition of drug, alcohol, and illegal substance use in the workplace of the country in which the Drilling Services are performed. Contractor also agrees that it shall implement policies prohibiting the use, possession, transportation, promotion or sale of alcohol, illegal drugs, contraband, weapons or other items deemed illegal in the country in which Drilling Services are performed, and agrees that Contractor’s Personnel and Subcontractors personnel (and all Contractor Group) and their vehicles or vessels may be searched or may be required to undergo drug and/or alcohol testing, including the submission of urine and/or blood samples by Contractor, as determined appropriate in Operator’s sole discretion and to the extent legally permissible.

28.3 Health, Safety, Environmental and Security Requirements and Well Integrity Requirements. Basic health, safety, environmental and security requirements along with well integrity requirements, as to each Country Contract, are set forth in Attachment D to this Section 2. Operator, at any time, may require additional measures in addition to those in Attachment D from Contractor regarding any health or safety rule, regulation or policy applicable to the Drilling Services by notifying Contractor either orally or in writing without complying with any provision in the Country Contract on giving notice. Any additional cost to Contractor of complying with such changes shall be reimbursed by Operator at Contractor’s incurred cost upon presentation of satisfactory invoices and supporting documentation.

28.4 Management of Waste. In performing Work, Contractor and Subcontractors shall have the responsibility and liability for the proper management of wastes according to Law. In particular, but without limitation, Contractor and Subcontractors shall implement procedures to endeavor to minimize the generation of waste. These procedures shall include, at a minimum, process substitution, materials recovery, and continued product use. When possible and commercially practicable, Contractor shall select less toxic alternatives to minimize hazardous waste generation. During the performance of the Drilling Services in a Contract Area under any Country Contract or applicable work order, Contractor shall accumulate at the Contract Area all non-hazardous waste resulting from Contractor’s operations and keep and leave any Contract Area where Drilling Services is performed in a condition satisfactory to Operator or as may be required by Law. Operator shall remove all waste resulting from Contractor’s operations under any Country Contract or applicable work order. Operator shall ensure that all waste is handled in compliance with any attachment relating to the management of waste and any relevant work order, and such provisions in any Attachment.

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## ATTACHMENT “A”

### MUTUAL HOLD HARMLESS AGREEMENT

This Mutual Hold-Harmless Agreement (this “**Agreement**”) is made effective as of the     day of     , 20     , among

(“**Company**”),

(the “**Provider**”),

Each Subcontractor (as defined below) of Company or of any of its Affiliates (as defined below) (other than the Provider and its Subcontractors) that executes a counterpart of this Agreement (together with each Subcontractor of Company or of any of its Affiliates (other than the Provider and its Subcontractors) that executes another agreement containing mutual indemnity provisions substantially similar to those in this Agreement, each a “**Company Contractor**” and, collective, the “**Company Contractors**”), and

Each Subcontractor of the Provider or of any of its Affiliates that executes a counterpart of this Agreement (together with each Subcontractor of the Provider or of any of its Affiliates that executes another agreement containing mutual indemnity provisions substantially similar to those in this Agreement, each a “**Provider Subcontractor**” and, collectively, the “**Provider Subcontractors**”).

### RECITALS

- a) Each Company Contractor has entered or will enter into a contract (a “**Company Contract**”) with Company or one of its Affiliates, or one of its Subcontractors, for such Company Contractor to perform work for or render services to Company or one of its Affiliates relating to or arising out of Company’s operations in and relating to [insert country name] (the “**Project**”);
- b) Each Provider Subcontractor has entered or will enter into a contract (a “**Provider Subcontract**”) with the Provider or one of its Affiliates, or one of its Subcontractors, for such Provider Subcontractor to perform work for or render services to the Provider or one of its Affiliates relating to or arising out of the Project; and
- c) The Signatories wish to modify their relationship at Law and to avoid disputes as to their respective liabilities for injury to or illness or death of persons, for damage to or destruction of property and for Consequential Damages (as defined below) by providing for a system of mutual indemnity among the Signatories with respect to their respective personnel and property.

### AGREEMENT

1. For the purposes of this Agreement:

“Affiliate” means a legal entity that at any tier Controls, is Controlled by, or is Controlled by an entity that Controls, a Party. For the purposes herein, “Control” means the ownership, directly or indirectly, of fifty percent (50%) or more of the voting rights in a legal entity.

“Claims” shall mean, unless specifically provided otherwise, all claims (including, but not limited to, those for property damage, pollution (including, without limitation, response costs, remediation costs, and damages to natural resources), bodily injury, personal injury, illness, disease, maintenance, cure, loss of consortium, loss of support, death, and wrongful termination of employment), damages, liabilities, losses, demands, liens, attachments,

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encumbrances, fines, penalties, causes of action of any kind (including actions in rem or in personam), obligations, costs, judgments, interest and awards (including payment of attorneys’ fees and costs of litigation and investigation) or amounts, of any kind or character (except punitive, indirect, special, consequential or exemplary damages), whether under judicial proceedings, administrative proceedings or otherwise, or conditions in the premises of or attributable to any person or persons or any Party or Parties, breach of representation or warranty (expressed or implied), under any theory of tort, contract, breach of contract (including any Claims that arise by reason of indemnification or assumption of liability contained in other contracts entered into by Company, Company Contractors, Provider, or Provider Subcontractors) arising out of, or incident to or in connection with the Project, including but not limited to Claims that arise out of or are directly or indirectly connected with vessels and/or the ownership, possession, management, manning, maintenance, supply, operation (including but not limited to ingress, egress, loading and unloading operations) or navigation of any vessel.

“Consequential Damages” means any damage, loss or injury of whatsoever nature that is consequential, punitive, incidental, special or exemplary, any loss or anticipated loss of profit, loss of production, loss of product, loss or anticipated loss of revenue, spread costs, or diminution in value, and any damage, loss or injury of whatsoever nature due to business interruption, loss of use of any equipment, loss of any contract or other business opportunity and any other indirect loss of a similar nature, whether or not such costs, losses or liabilities are defined and/or characterized as consequential, incidental or indirect by English Law or any applicable Law and whether or not foreseeable.

“Contract” means either a Company Contract or a Provider Subcontract, which collectively shall be referred to as the “Contracts”.

“Contractor” means either a Company Contractor, or a Provider Subcontractor, which collectively shall be referred to as the “Contractors”.

“Dispute” means any and all Claims, counterclaims, demands, causes of action, disputes, controversies, and other matters in question arising out of or relating to this Agreement, or to the alleged breach thereof

“Gross Negligence” shall mean any act or failure to act (whether sole, joint or concurrent) by any Person which was intended to cause or which was in reckless disregard or wanton indifference to harmful consequences such Person knew or should have known such act or failure to act would have on the safety or property of another Person.

“ICC” means the International Chamber of Commerce.

“Joint Interest Owner” means any Person from time to time holding an interest in or in the exploitation of the field(s) included in the Project with Company (or its successor).

“Law(s)” means all applicable laws of the jurisdiction in its broadest sense including without limitation the following: constitutional law, civil law, common law, international law, equity, treaties, statutes, decrees, edicts, codes, orders, rules, ordinances and regulations of any local, municipal, territorial, provincial, state, federated, national or any other duly constituted governmental body, authority, agency or department.

The phrase “mutual indemnity agreement containing provisions substantially similar to those in this Agreement” includes any agreement that includes release, defense, and indemnity provisions that are substantially similar to those set forth in this Agreement or that are in any other form or wording so long as the substantive nature of the provisions is similar to those set forth in this Agreement.

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“Parties” means Company and any Signatory.

“Party” means Company or any Signatory.

“Person” means any natural person, corporation, general partnership, limited partnership, limited liability company, proprietorship, other business organization, trust, union, association, entity or governmental authority.

“Personnel” means, with respect to any Person, the officers, directors, employees, representatives, and agents of such Person.

“Services Agreement” means the contract entered into between Company and Provider pursuant to which Provider has agreed to perform services for Company.

“Signatory” means each Contractor, and the Provider, but the term “Signatory” does not include Company.

“Signatory Group” means, as to each Signatory, the following Persons, together with their Personnel and insurers: (A) such Signatory, (B) its Affiliates, and (C) all of its Subcontractors who have executed this Agreement or another mutual indemnity agreement containing provisions substantially similar to those in this Agreement.

“Subcontractor” means, with respect to any Person, any contractor or subcontractor of any tier of such Person.

“Willful Misconduct” shall mean a knowing and intentional act or failure to act, with disregard of the rights or safety of others, knowing that harmful consequences to a person or property will probably result or recklessly disregarding the possibility that harmful consequences will probably result.

2. Inconsideration of the premises set out above, each Signatory (the “Indemnitor”) agrees for the benefit of each other Signatory that:

(i) Such Indemnitor shall release, defend, indemnify and hold harmless each other Signatory and each Person in such other Signatory’s Signatory Group (each an “Indemnitee” and collectively, the “Indemnitees”) from and against any and all Claims arising in connection with the Contracts, the performance by such Indemnitor of the services being performed by such Indemnitor under its Contract, or the performance of other work or services by the Provider or its Subcontractors, or any other Subcontractor of Company, directly or indirectly related to or arising out of the Project for:

(a) loss of, damage to or destruction of the property of such Indemnitor or any Person in such Indemnitor’s Signatory Group or any other Subcontractor of such Indemnitor; or

(b) death, illness or bodily or personal injury to any Personnel of such Indemnitor or any Person in such Indemnitor’s Signatory Group or any other Subcontractor of such Indemnitor,

except to the extent such loss, damage, destruction, death, illness or bodily or personal injury is caused or contributed to by the Willful Misconduct of the Indemnitee seeking indemnity hereunder or any other Person in such Indemnitee’s Signatory Group.

(ii) Such Indemnitor hereby waives any Claim against each Indemnitee for such Indemnitor’s Consequential Damages however the same may be caused.

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3. **Except as provided in Paragraph 2(i), the obligations of each Indemnitor set forth in this Agreement to release, defend, indemnify, and hold harmless any Indemnitee and the waiver by such Indemnitor under Paragraph 2 shall apply regardless of the active, passive, contributory or sole or concurrent negligence (of any kind or degree), strict liability, unseaworthiness, pre-existing conditions and any other fault of any Indemnitee and regardless whether liability of any kind is imposed or sought to be imposed on any Indemnitee and shall include Claims arising out of loading, unloading, ingress, and egress.**
4. In order to support the indemnity obligations set out in Paragraph 2, each Indemnitor shall procure and maintain sufficient insurance with reputable insurance companies or qualified self-insurance with respect to the performance of its obligations under the Contract to which it is a Party and shall, to the extent of the risks and liabilities assumed by such Indemnitor in this Agreement, undertake to obtain from its insurers a waiver of rights of subrogation against all Persons in each other Signatory Group (and, where permitted, name such Persons (excluding insurers) as additional insureds or co-assureds and be primary and non-contributory to any other insurance as respects such risks and liabilities).
5. Each Contractor shall require its Subcontractors to which it contracts the performance of any of its obligations under the Contract to which such Contractor is a Party to sign a counterpart of this Agreement or another mutual indemnity agreement containing provisions substantially similar to those in this Agreement, and on request shall furnish a copy of such executed mutual indemnity agreement to Company and the Provider; to the extent a Subcontractor does not sign a counterpart of this Agreement or another mutual indemnity agreement containing provisions substantially similar to those in the Agreement, the obligations that would have been owed by such Subcontractor shall be the responsibility and obligations of Company or Provider, as applicable.
6. Each Provider Subcontractor agrees that all indemnity and insurance obligations owed by such Provider Subcontractor to Persons in each Signatory Group pursuant to this Agreement (or another mutual indemnity agreement containing provisions substantially similar to those in this Agreement) shall also be owed by such Provider Subcontractor to Company, all Joint Interest Owners, their respective Affiliates and permitted assignees, and the Personnel and insurers of all of the foregoing; and Company agrees that the indemnity obligations owed by Company to the Provider under the Services Agreement shall also be owed by Company to each Provider Subcontractor, its Affiliates, and the Personnel and insurers of all the foregoing.
7. This Agreement shall inure to the benefit of and become binding on each Contractor with respect to each other Signatory on the later of:
  - (i) the date such Contractor executes this Agreement (or another mutual indemnity agreement containing provisions substantially similar to those in this Agreement), or
  - (ii) the date such other Signatory executes this Agreement (or another mutual indemnity agreement containing provisions substantially similar to those in this Agreement). This Agreement shall inure to the benefit of and become binding on each Provider Subcontractor, as applicable, and Company, with respect to each other, on the date such Contractor Subcontractor, as applicable, executes this Agreement (or another mutual indemnity agreement containing provisions substantially similar to those in this Agreement).
8. This Agreement may be executed in multiple counterparts. Such instruments shall collectively constitute the mutual indemnity agreement of the Signatories.



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9. Applicable Law and Arbitration

- (A) The validity, construction and interpretation of this Agreement shall be governed exclusively by the Laws of England and Wales, excluding any choice of law rules that would require the application of the Laws of another jurisdiction.
- (B) Any Dispute shall be exclusively and definitely resolved through final and binding arbitration under the Rules of the ICC then in effect (the “Rules”). The rules shall be deemed to be incorporated herein by reference.
- (C) Arbitrators.
  - (i) The arbitration shall be conducted by three arbitrators. Each Party to the Dispute shall nominate one arbitrator within thirty (30) days of the filing of the arbitration, and the two arbitrators so nominated shall nominate a chairman within thirty (30) days after the latter of the two arbitrators has been appointed by the Parties to the Dispute. If a Party to the Dispute fails to appoint its party-appointed arbitrator or if the two party-appointed arbitrators cannot reach an agreement on the chairman within the applicable time period, then the ICC Court shall appoint that arbitrator only.
  - (ii) If there are more than two parties to the Dispute, then within thirty (30) days of the filing of the arbitration, all claimants shall jointly appoint one arbitrator and all respondents shall jointly appoint one arbitrator, and the two arbitrators so appointed shall select the presiding arbitrator within thirty (30) days after the latter of the two arbitrators has been appointed by the Parties to the Dispute. If either all claimants or all respondents fail to make a joint appointment of an arbitrator or if the Party-appointed arbitrators cannot reach an agreement on the presiding arbitrator within the applicable time period, then the ICC shall appoint all three arbitrators.
- (D) If the Signatories initiate multiple arbitration proceedings, the subject matters of which are related by common questions of law or fact and which could result in conflicting awards or obligations, then all such proceedings may be consolidated into a single arbitral proceeding.
- (E) Unless otherwise agreed by all Parties to the Dispute, the seat or legal place of arbitration shall be London, England.
- (F) The arbitration proceedings shall be conducted in the English language and the arbitrator(s) shall be fluent in the English language.
- (G) The award of the Arbitral Tribunal (as defined in the Rules) shall be in writing and shall be final and binding. Judgment on the award of the Arbitral Tribunal may be entered and enforced by any court of competent jurisdiction.
- (H) All notices required for any arbitration proceeding shall be deemed properly given if sent in accordance with the provisions of the relevant Contract.
- (I) All arbitrators shall be and remain at all times wholly impartial, and, once nominated, no arbitrator shall have any ex parte communications with any of the Parties to the Dispute concerning the arbitration or the underlying Dispute other than communications directly concerning the selection of the presiding arbitrator, where applicable. The Arbitral Tribunal shall render a final award in any arbitration within six (6) months of the appointment of the Arbitral Tribunal by the ICC. This time limit may only be extended with the consent of the Parties to the Dispute or by the Arbitral Tribunal for good cause shown, provided that no award shall be invalid even if it is not rendered within the time period herein specified, or not rendered within any extended period.
- (J) The award shall include interest, as determined by the arbitral award, from the date of any default or other breach of this Agreement until the arbitral award is paid in full. Interest shall be awarded at a commercially reasonable rate determined by the Arbitral Tribunal unless otherwise agreed upon by the Parties to the Dispute.
- (K) The arbitral award shall be made and payable in United States dollars, free of any tax or other deduction.
- (L) The Signatories waive their rights to claim or recover, and the Arbitral Tribunal shall not award any punitive, multiple, or other exemplary damages (whether statutory or common Law), except to the extent such damages have been awarded to a Third Party and are subject to allocation between or among the Parties to the Dispute.

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(M) To the extent permitted by Law, any right to appeal or challenge any arbitral decision or award, or to oppose enforcement of any such decision or award before a court or any governmental authority, is hereby waived by the Signatories to the maximum extent permitted by Law. For the avoidance of doubt, the Signatories hereby expressly waive any right to approach the courts under Sub-clauses 45 and 69 of the Arbitration Act 1996.

(N) All negotiations, mediation, arbitration, and expert determinations relating to a Dispute (including a settlement resulting from negotiation or mediation, an arbitral award, documents exchanged or produced during a mediation or arbitration proceeding, and memorials, briefs or other documents prepared for the arbitration) are confidential and may not be disclosed by the Parties to the Dispute, their employees, officers, directors, counsel, consultants, and expert witnesses, except to the extent necessary to enforce this Agreement or any arbitration award, to enforce other rights of a Party to the Dispute, or as required by Law; provided, however, that breach of this confidentiality provision shall not void any settlement, expert determination or award.

10. Any release, indemnity, defense or insurance protection owed by a Signatory to any Person pursuant to this Agreement shall be primary to any obligation of Company or Provider (if any) to provide any such protection to such Person.

11. Except as between two Parties to this Agreement that have directly entered into a specific contract between themselves other than this Agreement (in which case such specific contract shall control over this Agreement), in the event of a conflict between the provisions of this Agreement (or another mutual indemnity agreement containing provisions substantially similar to those in this Agreement) and a Contractor’s Contract, the terms and provisions of this Agreement (or such mutual indemnity agreement) shall govern and control.

12. The illegality, invalidity or unenforceability of a provision of this Agreement under any Law shall not affect the legality, validity or enforceability of that provision under another Law or the legality, validity or enforceability of any other provision or the remainder of this Agreement.

13. Rights of Third Parties

(A) Subject to Paragraph 13(B) below, the Contract (Rights of Third Parties) Act 1999 (the “Act”) shall not apply to this Agreement and all of the rights granted to Third Parties under the Act are hereby excluded.

(B) The provisions of paragraph 13(A) shall not apply to any Person to the extent any such Person is entitled to insurance, defense, release, or indemnity protection under Paragraph 2(i), Paragraph 5, Paragraph 6 and, subject to Paragraph 13(c), each such Person (a “Third Party”) may enforce any such entitlement in accordance with the Act.

(C) The Parties shall be entitled to amend, vary, supplement or terminate this Agreement without the consent of any other Person, including any Person entitled to enforce any rights under this Agreement in accordance with Paragraph 13(B).

(D) A Joint Interest Owner or an Affiliate of a Joint Interest Owner is entitled to assign any benefit, right or entitlement conferred on it under this Agreement by virtue of the Act to a bank(s) and/or financial institutions(s) by way of security for borrowings related to the Project. The Parties hereto shall, at the request of such Affiliate or Joint Interest Owner, sign and issue such acknowledgement of such assignment as such Affiliate or Joint Interest Owner may reasonably request.

IN WITNESS of their agreement, each of Company and the Provider has caused its authorized representative to sign this Agreement effective as of the date first above written.

Company:

Provider (as a Signatory):

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By: \_\_\_\_\_ By: \_\_\_\_\_  
Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_

For each Contractor:

IN WITNESS of its agreement, each Party executing below as a Signatory adopts this Agreement and agrees that in consideration of the benefits afforded a Signatory, such Party, as a Signatory, agrees to comply with all obligations owed by a Company Contractor or Provider Subcontractor as applicable, under this Agreement, effective as set forth in the Agreement:

Signatory: \_\_\_\_\_ Signatory: \_\_\_\_\_  
By: \_\_\_\_\_ By: \_\_\_\_\_  
Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_  
Date: \_\_\_\_\_ Date: \_\_\_\_\_

**END OF ATTACHMENT A**

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## ATTACHMENT B

### FORM OF COUNTRY CONTRACT

<insert name of country>

[insert Contract #]

This Country Contract (this “Country Contract”) is entered into as of <insert Effective Date> (the “Effective Date”) by and between **Kosmos Energy** <insert affiliate name> (“Operator”) and <insert Contractor name> (“Contractor”). Operator and Contractor are referred collectively in the Contract as the “Parties,” and individually as a “Party”. The Contract is subject to the provisions of Global Master Contract, <insert contract number>, between Kosmos Energy Ventures and <name of Contractor> effective ( “GMC” or “Contract”).

Now Therefore, Operator and Contractor each in consideration of the undertakings, promises and agreements of the other as set forth herein, hereby agree as follows:

#### ARTICLE 1 - PURPOSE.

This Country Contract is a contract between Operator and Contractor to govern the provision of the Drilling Services by Contractor in the contract area more particularly described in **Exhibit “1”**, attached hereto (the “Contract Area”). The Parties adopt and agree to be bound by the terms and conditions of the GMC which are incorporated by reference and made a part of the Contract. All capitalized terms used in the Contract shall have the meaning ascribed to them in the GMC, unless otherwise defined in the Contract. During the term of the Contract, Contractor agrees to furnish all labor, equipment and materials and all other things necessary to perform the Drilling Services which may be requested by Operator in any work order.

**ARTICLE 2 — INVOICING PROCEDURES** — invoicing and registration procedures for work to be performed in Morocco are described under **Exhibit 2** attached hereto.

**ARTICLE 3 - COUNTRY SPECIFIC REQUIREMENTS** — <insert additional provisions e.g. taxes, registration, etc. specific to the given country and attach any related documents as **Exhibit 3**, attached hereto. >

#### ARTICLE 3 - NOTICES

All notices to be given with respect to the Country Contract shall be considered as given to Operator and to Contractor, respectively, if given in writing, in English, and delivered (a) personally; (b) sent by internationally-recognized courier service, or (c) by any electronic means of transmitting written communications which provides written confirmation of complete transmission, and properly addressed to the other Party as shown below. ***Notwithstanding the foregoing, neither oral nor e-mail messages constitute notice for purposes of the Contract*** . A notice given under any provision of the Country Contract shall be deemed delivered only when received or refused receipt by the Party to whom such notice is directed. “Received” for purposes of the Country Contract and any one or more work orders or other amendments, shall mean actual delivery of the notice to the address or facsimile address of the Party shown below. All notices to be given under the Country Contract shall be prepared in accordance with this Section and sent to:

Operator:  
Kosmos Energy <affiliate name>  
c/o Wilmington Trust (Cayman), Ltd  
Suite 409  
Century Yard, Cricket Square  
Hutchins Drive  
George Town, Grand Cayman  
Attn: Registered Agent

Copy to:  
Kosmos Energy <affiliate name>  
c/o Kosmos Energy, LLC  
8176 Park Lane, Suite 500  
Dallas, Texas 75231  
Attn: General Counsel  
cc: Country Manager  
Phone: 214-445-9600

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Fax: 345-945-3241  
 Email: kosmosgeneralcounsel@kosmosenergy.com

Fax: 214-445-9705  
 Email: kosmosgeneralcounsel@kosmosenergy.com

Contractor:

Attn:

Phone:

Fax:

Email:

**ARTICLE 4 — OPERATOR REPRESENTATIVE AND CONTRACTOR REPRESENTATIVE:**

**Operator Representative:** The following Operator designated representative, drilling manager, or other such person as may be subsequently designated in writing by Operator, shall have authority to act for Operator with respect to all matters pertaining to this Country Contract.

**Contractor Representative:** The following Contractor designated representative or other such person as may be subsequently designated in writing by Contractor, shall have authority to act for Contractor with respect to all matters pertaining to this Country Contract.

**ARTICLE 5 - MISCELLANEOUS.**

**Entire Agreement.** This Country Contract is subject to the terms and conditions of the GMC, including the Attachments thereto, which are incorporated by reference and made a part of this Country Contract. This Country Contract, along with the Exhibits hereto, constitutes the entire agreement between Contractor and Operator, and it supersedes all prior negotiations, representations or agreements, either oral or written, related to the this Country Contract or the subject matter hereof.

**Counterpart Execution.** This Country Contract may be executed in any number of counterparts and by different parties on separate counterparts. Each of such counterparts shall be deemed to be an original, and all of such counterparts, taken together, shall constitute but one and the same agreement. Delivery of an executed counterpart of this Country Contract delivered by electronic transmission shall be equally effective as delivery of a manually executed counterpart.

IN WITNESS WHEREOF, the Parties have caused this Country Contract to be executed effective as of the Effective Date.

<b>Kosmos Energy &lt;affiliate name&gt;</b>		<b>&lt;Contractor&gt;</b>	
By:		By:	

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Name:		Name:	
Title:		Title:	
Date:		Date:	

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**EXHIBIT 1**

**CONTRACT AREA**

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**EXHIBIT “2”  
FORM OF WORK ORDER**

**(SEE COUNTRY SPECIFIC CONTRACT FOR FORM)**



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**EXHIBIT “3”**

**INVOICING PROCEDURES**

**(Kosmos Energy Deepwater Morocco)**

Kosmos Energy Deepwater Morocco  
5, Rue Jabal Moussa  
Apt No. 3, Agdal  
Rabat, Morocco

1. All original invoices shall be addressed as follows:

Kosmos Energy Deepwater Morocco  
c/o Kosmos Energy, LLC  
8176 Park Lane, Suite 500  
Dallas, Texas 75231  
Attn: Supply Chain Management — Cost Controller

2. Contractor shall submit two (2) types of invoices to Operator, an initial pro forma invoice and subsequent standard invoice(s) in accordance with the terms of any work order:

Contractor shall submit a pro forma invoice to Operator upon execution of either the Country Contract or any work order for the total value in either the Country Contract or any work order, as appropriate, in the format as set out in Attachment “D-1”. Operator will submit such pro forma invoice to the Moroccan tax authorities to obtain the VAT Exemption Certificate. Within two (2) business days of Operator’s receipt of the VAT Exemption Certificate, Operator will notify Contractor of such receipt of the same. Thereafter, Contractor may submit invoices to Operator for approval and payment.

Please note that the VAT Exemption Certificate is particular to the details included in the pro forma invoice. If the pro forma invoice is for the total value of the Country Contract, no further VAT Exemption Certificate will need to be obtained. But, if the Drilling Services exceeds the total value of the Country Contract as reflected in the pro forma invoice, then an additional VAT Exemption Certificate must be obtained prior to Contractor issuing any invoice for the amount over the original pro forma invoice. As well, if the pro forma invoice is for the total value of any work order, and either the Drilling Services exceeds the total value of any work order or a new work order is issued, then an additional VAT Exemption Certificate must be obtained prior to Contractor issuing the work order invoice for the amount over the original pro forma invoice or any new work order. No invoices will be paid until the VAT Exemption Certificate has been obtained by Operator.

Actual work order invoices (not the pro forma invoices discussed above) shall detail the following, in addition to the fees for the Drilling Services: travel days, associated Reimbursable Expenses and the number of days worked by each individual provided by Contractor for the invoice period. Each of Contractor’s invoices must contain the following information and all required supporting documentation:

- a) Contractor’s name, address, contact phone and fax numbers;
- b) Sequential invoice numbering system, commensurate with Contractor’s needs;
- c) Invoice Date;
- d) Reference: Morocco; Location [Foum Assaka or Essaouira] Block or Well Site
- e) Contract No. MOR-01-XX-XXX, dated the day, of, 20XX;
- f) Work Order No. MOR-01-XX-XXX-XX; and
- g) Time Sheets for each individual provided by Contractor for the invoice period.

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3. All invoices must be in U.S. dollars (US\$) and have a clear breakdown of material and/or equipment and other services. Operator is required under the laws of Morocco to withhold 10% of the value of invoiced services rendered.

4. The following amounts should be shown on each invoice:

Invoice Amounts		
Total Gross		\$
Tax to be Withheld by Operator		\$ ( )
<b>Total Amount Due</b>		<b>\$</b>

Sample Text Section of an Invoice:

Item	Description	Amount	
		Subtotal	Totals
01	Service 1	100.00	
02	Service 2	100.00	
	Total		\$200.00
	10% Tax Withheld		(\$20.00)
<b>TOTAL DUE</b>			<b>\$180.00</b>
Include payment information as requested in Paragraph 5 on all invoices.			

5. Payment Information: Remit payment by (wire transfer or US\$/check) to:

Check made payable to:

Mailing address:

OR

Wire transfer details:

Bank Name:

Account Name:

Account Number:

ABA Routing Number:

Swift Code:

Other

6. The original invoice should contain an original signature by a named representative of Contractor;

7. To facilitate invoice processing and assure prompt payment, the initial invoice under the Country Contract should contain, as support, a copy of the official and initialed contract rate schedule or quote;

8. A cover letter to Operator detailing the invoices being submitted for payment should accompany each group of invoices and contain an attachment by invoice number of an accounts receivable report for any invoices Contractor has pending with Operator;

9. All invoices must have the “text” in English; and

10. Contractor is responsible for ensuring compliance with all tax Laws and administration of its affairs.

11. Should Consultant have any questions regarding this Invoicing Procedure, please address them to:

Kosmos Energy Deepwater Morocco HC  
c/o Kosmos Energy, LLC

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Attn: Supply Chain Management — Cost Controller  
8176 Park Lane, Suite 500  
Dallas, Texas 75231 USA,  
Telephone: 1+ 214-445-9600

CONFIDENTIAL TREATMENT REQUESTED. INFORMATION FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED IS OMITTED AND MARKED WITH “[\*\*\*]”. AN UNREDACTED VERSION OF THE DOCUMENT HAS ALSO BEEN FURNISHED SEPARATELY TO THE SECURITIES AND EXCHANGE COMMISSION AS REQUIRED BY RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

**EXHIBIT “3-A”**

**(see next page)**

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**Company Name**  
**Company Address**

Date:

Proforma Invoice  
 No:

Client Information:  
 Kosmos Energy Deepwater Morocco  
 5 Rue Jabal Moussa, Apt. #3  
 Agdal, Rabat, Morocco

Project: XXXXX  
 Description: XXXXX

Contract Reference: XXXXX

Moroccan Tax ID No: XXXXX

Item No	Qty	Unit	Description	GST	PST	Unit Price (US\$)	Total in US Dollars (US\$)	Total in Moroccan Dirhams (MAD)
1	25	Days	Name of individual and/or description of services provided	-	-	00.00	00.00	00.00
2								
3								
4								
5								
Subtotal							00.00	00.00
VAT @ 20%							00.00	00.00
<b>INVOICE</b>								
<b>TOTAL</b>							<b>00.00</b>	<b>00.00</b>

\_\_\_\_\_  
 Company Representative

**END OF EXHIBIT "3-A"**

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**EXHIBIT "3-B"**

**CERTIFICATION OF ACCREDITATION**

**ATTESTATION D'ACCREDITATION**

---

**CERTIFICATION OF ACCREDITATION**

---

**La Société soussignée / The undersigned firm**

Raison Sociale /  
Company

Adresse /  
Address

Ville / City

Téléphone / Phone

Pays / Country

Forme Juridique /  
Legal form

Activité principale /  
Main activity

**Atteste accréditer au Maroc la société / attest to accredit in Morocco the company...**

Raison Sociale /  
Company

Kosmos Energy Deepwater Morocco

Identifiant fiscal / Tax ID

3342816

Adresse / Address

5, Rue Jabal Moussa, Appt 3, Agdal

Ville / City

Rabat

Téléphone / Phone

Forme Juridique /  
Legal form

Succursale

Bureau d'Etudes et de Recherches

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Activité principale  
/ *Main activity*

---

**en tant que représentant fiscal en matière de TVA exclusivement pour les activités liant les deux sociétés et ce conformément aux dispositions de l'article 115 du Code Général des Impôts / as its fiscal representative concerning VAT exclusively with regards to the activities linking both companies in accordance with the terms of the Article 115 of the Moroccan Tax Code**

Nom du  
signataire /  
*Name of the  
undersigned*

Fonction du  
signataire /  
*Position of the  
undersigned*

---

Lieu / *Place*

---

Signature et cachet/Signature and Stamp

**END OF EXHIBIT “3-B”**

**EXHIBIT 4**

**Country Specific Terms and Conditions  
(Kosmos Energy Deepwater Morocco)**

**Clause 1. Definitions**

1.6 “**Country of Operations**” means Republic of Morocco, unless otherwise agreed by the Parties in a work order.

**Clause 8. Taxes Responsibilities.**

**Contractor Tax Liability.** Except as otherwise provided below, Contractor assumes full and exclusive liability for the payment of all taxes including, by way of illustration and not limitation, corporate taxes, personal income taxes, payroll taxes, property taxes, and other direct taxes, as may be imposed on Contractor, in Morocco or the country of Contractor’s registration in Morocco which directly result from the carrying out of the Drilling Services by Contractor, whatever may be the methods of assessment, calculation and recovery or any other taxes of similar nature that may be imposed by the Government of Morocco or by any country having jurisdiction to levy such taxes on Contractor as a result of the performance of the Drilling Services under this Country Contract (collectively, “**Taxes**”).

(a) **VAT Exemption** Rates and prices under this Country Contract do not include any value added tax (“**VAT**”), turnover taxes, transaction taxes, use taxes, production taxes, consumption taxes, stamp taxes, nor any other taxes of similar nature assessed on supplies, equipment and services to be delivered to Operator or performed under this Country Contract. Contractor shall separately state any value-added tax or similar tax in its invoice; however, Contractor shall not invoice Operator for any such tax where Operator has furnished evidence of exemption status to Contractor.

(b) **Withholding Taxes.** Operator shall have the right to withhold any Taxes and other government assessments on payments to Contractor to the extent required by Law or pursuant to the agreement with a host country and the rate set forth in any applicable work orders shall include such withholding taxes and other government assessments. Upon payment of the amount withheld to the appropriate government entity or agency such amount withheld shall be deemed payment to the respective Contractor, and Operator shall have no further obligation to pay such amount to the respective Contractor. Where Operator has withheld amounts due Contractor, Operator shall provide Contractor evidence of such tax withholding in the form of an original tax receipt or other evidence of payment in a timely manner, if requested.

(c) **Receipts.** Operator undertakes to provide the original withholding tax receipts issued by the relevant tax authorities together with details of the deductions covered within sixty (60) days of collection of said receipts from the tax authorities. Operator shall make reasonable endeavors to obtain such receipts as soon as possible. In the event Operator withholds Tax in excess of that required by Law, then Operator shall promptly reimburse Contractor for the amounts of Tax, which have been incorrectly withheld. In the event of late payment to the tax authorities having jurisdiction, Operator shall be solely liable for the payment of penalties levied by the relevant tax authorities.

(d) **Tax Indemnities.** In addition to the general indemnities in Clause 6 of the GMC, Contractor shall defend, indemnify and hold Operator Group harmless from liability to any competent authority resulting from Contractor’s or Contractor Group’s failure to make timely payment of, or timely filings with respect to, any obligations to pay Taxes incurred in respect to the Drilling Services. Such indemnities shall include all penalties and interest imposed in addition to the Taxes due as a result of Contractor Group’s failure to comply with reporting, filing, payment or procedural requirements. Contractor shall be liable for and shall indemnify Operator Group for



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any incremental withholding Taxes imposed by an appropriate government entity or agency on payments to Contractor in excess of amounts initially withheld by Operator per Clause 8(c) above.

(e) **Import/Export Customs Duties and Fees; Stamp Duties.** Where Operator and its contractors (including Contractor) are entitled to exemption from import duty with respect to materials or equipment, Operator shall provide an appropriate letter to enable Contractor to claim such exemption. In any such case, should Contractor, through its Gross Negligence or Willful Misconduct, fail to obtain the exemption, the cost of the duty shall not be passed on to Operator but shall be the sole responsibility of Contractor. In the event Operator has no import/export exemption, then Operator shall pay import/export license fees, import/export duties and stamp duties required to be incurred in respect to the Drilling Services.

(f) **Tax Invoicing.** If Contractor has a legal responsibility to collect any Taxes (including but not limited to VAT, or any other similar indirect tax) directly from Operator for payment to the appropriate taxing authorities, the portion of any payment from Operator to Contractor representing such Taxes shall be separately stated in the invoice on top of the agreed rates, fees and lump sums. Absent such legal requirement, Contractor shall not identify any separate item constituting Taxes. Operator shall not be obligated to pay invoices that do not comply with invoicing procedures, described in **Exhibit 2** attached hereto (or as otherwise agreed by Contractor and Operator in a similar document attached to this Country Contract or any work order).

(h) **Future Legislation.** If, as a result of any future relevant fiscal legislation, regulation or law, or a change in the interpretation of existing fiscal legislation, regulation or law, after the contract award date, such future relevant fiscal legislation, regulation or law, or a change in the interpretation of existing fiscal legislation, regulation or law, being such that Contractor has to suffer an additional tax burden not included in its prices under this Country Contract, then it is agreed and understood that Contractor will be entitled to revise its prices in order to reflect the impact of such new fiscal legislation, regulation or law, or change in the interpretation of existing fiscal legislation, regulation or law, so that Contractor does not lose nor benefit as a result thereof.

(i) **Moroccan Registration for Tax ID and VAT Exemption.** Contractor must be registered in the Kingdom of Morocco and have a valid Moroccan Tax ID Number. If Contractor is not registered in Morocco and does not have said Moroccan Tax ID Number, Contractor must complete this process. If Contractor requests Operator’s assistance, Contractor must complete the documentation (on Contractor’s letterhead) as set out in **Exhibit “2-B”** and return to Operator. The Morocco Tax ID must be obtained before **Exhibit “2-A”** is generated and the process to obtain the VAT Exemption Certificate can begin.

#### SECTION 4 — STATEMENT OF REQUIREMENTS

##### Clause 7.2.4. — Responsibilities of Operator

Operator is responsible for the transportation of Contractor’s Personnel and Subcontractor’s personnel between the primary international airport (or a reasonably located regional airport) on the mainland of [NOTE — Insert applicable Country]. The Parties agree that the designated airport shall be located in [NOTE — Insert applicable City and Country].

#### SECTION 5 — RATES AND CHANGES

##### Schedule 5.1

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Clause 2 — Demobilization

If Contractor does not have an immediate ongoing work with another operator in  
provide a suitable tow/transport vessel(s) and fuel, and tow/transport from the Final Well to

[NOTE — Insert applicable country], Operator is to  
as the designated safe harbor location.

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## ATTACHMENT C

### **HEALTH, SAFETY, ENVIRONMENTAL AND SECURITY REQUIREMENTS** **AND** **WELL INTEGRITY REQUIREMENTS**

#### **1. Standard HSES Terms and Conditions —**

##### **1.0 GENERAL**

1.1 Contractor shall have developed and effectively implemented Health, Safety, Environmental and Security Management Systems (“**HSES MS**”) specific to the Location prior to execution of the Work that meets or exceeds the applicable requirements outlined in Section 1.2 Contractor shall be cooperative in allowing Operator to review and approve their HSES MS and shall promptly implement actions to eliminate any deficiencies identified.

1.3 Operator requires that Contractor and its Subcontractors place the highest importance on safety at all times during the performance of the Work on the Location. Contractor shall fully participate in and cooperate with all HSES programs implemented by Operator as of the Effective Date of this Agreement to meet the HSES objectives that include:

- Seeking the avoidance of all incidents through identification and control of risks using strategic injury, illness, and pollution prevention initiatives.
- Demonstrating management commitment to HSES by getting involved and providing resources to protect and improve the health and safety of everyone involved in the Work.
- Putting HSES high on the agenda in meetings and during project planning and execution.
- Communicating HSES performance openly and discussing and analyzing incidents to avoid similar occurrences.
- Supporting and recognizing Contractor’s Personnel who stop or refuse unsafe work.
- Being vigilant and taking firm action when unsafe behavior or circumstances are observed.
- Carefully selecting, monitoring and building mutually beneficial relationships with Subcontractors and Suppliers who have effective HSES MSs.

1.4 Contractor shall be cooperative in allowing Operator to conduct HSES audits/inspections of the Location and review of appropriate Work documents/records to ascertain Contractor’s on-going compliance with the HSES requirements of the Agreement and with Contractor’s own HSES MS. Contractor shall promptly take appropriate actions to correct and prevent identified risks, hazards, or conditions. Operator Representatives shall have the authority to immediately stop any Work activity they reasonably feel is unsafe or presents any unacceptable risk to personnel. Contractor shall prepare and submit a written Corrective Action Plan to the Company for approval. The Plan shall include specific measurable actions, assigned responsibilities, and timely completion schedules based on criticality. Contractor shall maintain an HSES Action Status Register that shall be regularly submitted to Operator for review. Operator shall have the right to conduct follow-up audits or inspections to verify the implementation and effectiveness of actions taken. Operator’s audits/inspections shall not relieve Contractor of its responsibility of monitoring and ensuring Contractor’s Personnel and Invitees are aware of and in compliance with the HSES requirements of the Agreement.

1.5 Contractor will comply in all respects with all applicable occupational and industrial HSES legislation, regulations, acts, rulings, orders and standards promulgated thereunder.

Contractor’s performance shall not relieve Contractor of its responsibility to work within its own HSES requirements.

##### **2.0 CONTRACTOR SUPPLIED RESOURCES**

2.1 Contractor shall provide sufficient staff on the Location to provide oversight of the HSES function and to monitor related information and programs required by Operator. This shall include, but may not be limited to, a dedicated doctor or paramedic with advanced life saving training and a dedicated HSES Advisor.

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- 2.2 Prior to starting Work, Contractor shall ensure Contractor’s Personnel and those of lower tier Subcontractors who will participate in the Work are capable of accomplishing the tasks assigned to them, are at no additional risk from Work activities due to pre-existing personal physical or medical conditions, are not under the influence of any legal or illegal medications/drugs, and are capable of executing all mandatory HSES work practices and emergency measures. Operator shall have a right to review documentation related to employee screening of these requirements. Operator will not be liable for any loss of production associated with fitness for duty.
- 2.3 Contractor is responsible for providing workers of sufficient knowledge, skill and competence to complete the Work in conformance with quality and HSES requirements. Operator shall have the right to review documentation related to verification of knowledge, skill and competence of these workers. Operator will not be liable for any loss of production associated with employee knowledge, skill, or competence.
- 2.4 Prior to starting Work, Contractor shall ensure all equipment and equipment aids used in the Work activities are safe and meet manufacturer’s specifications. This shall include the assurance that maintenance, inspections, tests, and/or modifications are performed within the manufacturer’s and any applicable government requirements, recommendations, and approvals.
- 2.5 Contractor supplied hazardous materials used for the Work shall meet Operator specifications as well as any manufacturer, supplier, or government requirements for storage, use, and transportation. Contractor shall obtain and maintain up-to-date Safety Data Sheets (“**SDS**”) for hazardous materials in languages appropriate for the employees who will handle them. Contractor shall supply SDSs in English to Operator upon request.
- 2.6 Operator shall obtain and maintain all government required HSES permits, licenses, or approvals required to complete the Work with exception of those permits, licenses, or approvals which are specifically required to be in the name of Contractor by Law. Operator shall properly dispose of all waste generated from the Work in compliance with applicable federal, state, and local government laws, ordinances, or regulations.
- 2.7 Contractor shall supply sufficient and relevant staff to participate in and/or conduct risk/hazard assessments related to the Work as required by Operator.
- 2.8 Contractor is responsible for having written site-specific emergency response plans and for ensuring trained emergency response personnel and resources (i.e. medical, fire, rescue, security and spill response facilities and equipment) are available to initiate response at the Work site.
- 2.9 Contractor’s Personnel who plan to be transferred offshore by helicopter shall be trained in Helicopter Underwater Egress Training (“**HUET**”) by a training provider having a Modular Egress Training Simulator (“**METS**”). Additionally, these personnel must have a current Oil & Gas U.K (“**O&G UK**”) medical certificate or equivalent.

### **3.0 REPORTING OF INCIDENTS**

- 3.1 Contractor shall report in a timely manner up to Operator all incidents, including injuries/illnesses (first aid, medical treatment, restricted work, lost work, or fatality cases) equipment damage, environmental spills, security incidents and near misses related to the Work. Additionally, Contractor shall cooperate in allowing Operator representatives to be involved in the investigation and/or review/approval of incident investigation reports at the discretion of Operator.
- 3.2 Contractor shall provide a monthly written or electronic report to Operator’s Representative in an Operator defined format which shall include at a minimum:
  - (a) The total number of man-hours spent on the Work by Contractor’s Personnel.
  - (b) Details of all incidents (near misses, injuries, property or equipment damage, security incidents and/or un-permitted environmental releases).
  - (c) Status of any Corrective Action Plans.
  - (d) Any proactive HSES measures reasonably determined by Company to be relevant (i.e. numbers of safety meetings, JSA’s, audits and behavioral observations, etc.).
  - (e) Data required to maintain compliance with Operator’s Environmental Permit (i.e. logging of any mammal strikes, fuel/oil use, freshwater use, waste, and spills/discharges, etc.).

### **4.0 MINIMUM REQUIREMENTS FOR HSES MANAGEMENT SYSTEMS**

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Contractor shall have HSES Management Systems or Plan specific for the Location that contain the applicable elements outlined in this section. The plan shall be submitted to Operator for review, comment, and approval within sixty (60) days of the execution date of the Agreement.

- 4.1 **Management Commitment and Planning** that includes an established HSES Policy, qualified HSES support personnel, setting of HSES objectives/targets, management reviews of HSES performance.
- 4.2 **HSES Standards and Procedures** that include established written HSES Working Practices and Hazard Control Programs for employees that are well communicated and followed. Working Practices shall cover premises and housekeeping/waste management, mechanical/electrical/equipment operations, use of personal protective equipment, hazard recognition and reporting, and emergency response/reporting.
- 4.3 **Risk Identification, Assessments and Control** that includes
- Hazard/risk assessment methodologies used (Job Safety Analysis, HAZOP’s, HAZIDs, Critical Lifts, Simultaneous Operations, Environmental Aspect/Impact assessments etc.).
  - Personal protective equipment requirements (head protection, eye and face protection, steel toe footwear, fall harnesses/lanyards above six (6) feet in areas with unsecured sides/edges, work vests for working above water, fire proof clothing, hearing protection, respiratory protection etc.).
  - Hazard Control programs (Confined Spaces, Lockout/Tagout, Respiratory Protection, Hearing Protection, Radiation Protection, Hazard Communications, etc.).
- 4.4 **Employee Participation** that includes
- Programs for hazard reporting, granting personnel the right to stop unsafe work or refuse dangerous work;
  - Pre-shift employee/supervisor HSES meetings; and
  - Effective methods for communicating HSES information to employees, visitors, and lower tier subcontractors.
- 4.5 **Change Control Management** that includes HSES personnel involvement in engineering, operating, or procedural changes that may affect HSES performance.
- 4.6 **Supplier and Contractor Management** that includes methods of HSES pre-qualification, monitoring, and evaluation of performance.
- 4.7 **Compliance Controls** that include access to applicable government and industry HSES Codes, standards, or regulations, methodologies for handling government and other external HSES inquiries, and employee accountability/disciplinary guidelines.
- 4.8 **Equipment and Facility Maintenance** that includes, if applicable:
- Maintenance, repair, inspections and testing requirements to ensure equipment is maintained in safe working condition and that it is not modified without the approval of the manufacturer (includes mechanical equipment, electrical equipment, mobile equipment, hand tools, and emergency equipment);
  - Maintenance of protective devices on equipment;
  - Requirements for identification, classification, minimization, and management of hazardous materials and wastes;
  - Requirements for maintaining housekeeping and standards for walk areas, work surfaces, and work areas;
  - Requirements for maintaining, inspecting, testing and replacing rigging equipment by trained and qualified riggers (slings, hooks, shackles, and other lifting aids); and
  - Scaffolding program for proper erection, design loads, bracing, guardrails, toeboards, planking, ladders, and inspections by trained and qualified scaffold builders.
- 4.9 **Health Management** that includes monitoring and protecting employees from exposure to chemical or physical hazardous agents, infectious diseases, medical screening (pre-employment and post incident, and heavy equipment operators), and monitoring the recovery and alternative work assignments of employees with work related injuries or illnesses.
- 4.10 **Preventive and Corrective Actions, Assessments, and audits** that include conducting regular HSES Audits and inspections, reporting and investigating incidents, and capturing/tracking through completion preventive and corrective actions.

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- 4.11 **Training Management** that includes identification of initial and recurring HSES and craft skill training, and tracking of completed training and associated competency assessments.
- 4.12 **Emergency Preparedness and Response Management** that includes medical, fire pollution, security, and weather emergencies and associated reporting requirements, evacuation plans and emergency equipment/facilities that are available. Plans shall also include bridging instructions for interfacing with Operator emergency plans.
- 4.13 **Control of HSES Documents and Records** that includes maintenance, protection, and distribution to provide objective evidence of the functioning management systems.
- 4.14 **Performance Measures** that include tracking of HSES incidents but that may also include tracking of proactive or leading indicators of HSES performance.

## 5.0 WORK-SPECIFIC REQUIREMENTS

- 5.1 Contractor shall have an established HSES Case for the Drilling Unit in accordance with the (IADC) — HSE Case Guidelines for Mobile Offshore Drilling Units (MODUs). Supporting documentation shall be provided to Operator demonstrating that the HSES Case has been implemented and is maintained through the duration of the Work activities.
- 5.02 For Work activities in Malaria endemic regions, Contractor shall have an established Malaria Control Program which includes training, protection, and treatment guidelines for all of Contractor’s Personnel who are not native to the region.
- 5.03 Waste management practices & waste disposition shall be agreed to by Operator and Contractor for each Country and Contract Area.

## 6. WELL INTEGRITY REQUIREMENTS

### Well Construction Interface Document

#### *Purpose/objectives:*

The purpose of the Well Construction Interface Document (“**WCID**”) is to ensure that all well construction work (drilling, suspension, completion, testing, workover and/or abandonment) is carried out in a manner to protect the safety and health of all workers and protect the environment. There is an emphasis on prevention of “loss of well control” and the details of barrier controls. The WCID will align the goals and objectives of HSES with the well construction process.

- Tie the safety-critical well construction components and processes with the elements of the traditional safety case bridging document.
- Identify, eliminate or mitigate risks associated with the proposed well work.
- Identify functional safety links and roles/responsibilities between Operator and Contractor to allow safe execution of the proposed well Work.
- Communicate critical information about the Operator’s well construction execution plans to the Contractor.
- Address areas of the safety management process, including specialized areas such as management of change, well control, fire and explosion management, lifting equipment, dropped objects, permit to work, helicopter operations and incident database guidelines.
- Address all phases of the well construction process within the context of the proposed well work — drilling, suspension, completion, testing, workover and/or abandonment.
- Develop a WCID guideline that is easy to use and understand, yet robust and complete in detail.

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***Focus areas:***

- Basis of design discussion to introduce the specific well construction environment.
- Risk assessments discussion focused on loss of well control.
- Barrier and casing program discussion (design loads and unexpected loads) to ensure the rig contractor understands:
  - What the critical barriers are.
  - How these barriers are installed.
  - How these barriers are tested and validated.
  - How these barriers can fail.
  - How to ensure these barriers do not fail.
- MOC discussion to manage circumstances when a change to the well execution plan is required.
- Roles/responsibilities discussion to ensure that the rig contractor uses their STOP work authority relative to “real time” operator changes in the well execution plan.

**END OF ATTACHMENT C**

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***SECTION 3***

***CONTRACTOR'S INSURANCE***



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## MINIMUM INSURANCE REQUIREMENTS

### Offshore Drilling Rig Contract

1. Capitalized terms that are not defined in this Attachment and that are defined in this Contract or Country Contract shall have the same meaning as in such except as otherwise provided.

2. Contractor shall procure and maintain in effect at its sole expense for the duration of the Contract, with financially secure (minimum Standard & Poor's/AM Best rating of A-) and reputable insurers authorized to do business in the geographical area where the Drilling Services are to be performed and reasonably satisfactory to Operator, insurance covering the Drilling Services that, at a minimum, complies with the requirements set forth below and complies with all requirements of the national, local and/or other governmental and regulatory authorities where the Drilling Services are performed. Policy limits shall not be less than and coverage not inferior to those indicated below. Deductibles, retained limits and any retrospective or loss sensitive premiums shall be for the account of the Contractor. Such insurance shall be primary and noncontributory and shall be exclusive of any existing valid and collectible insurance carried by or provided by any member of the Operator Group, if any, for risk and liabilities assumed by Contractor under this Contract. All policies shall ensure that there shall be no recourse against Operator Group for payment of premium or for assessments under any mutual form of policy(ies). All insurance policies of the Contractor shall, as respects the risks and liabilities assumed by Contractor under the Contract, waive all express or implied rights of subrogation or recovery against Operator Group and its insurers and underwriters. In addition, to the extent of the risks and liabilities assumed by Contractor, Contractor's insurance shall provide that Operator Group be included as additional insureds (except for worker's compensation coverage). Insurance coverage must not contain any geographical or jurisdictional limitation or exclusion and, therefore, shall have adequate territorial and navigation limits for the location of the Drilling Services, including without limitation, offshore operations.

If insurance is provided on a "claims made" basis, coverage in each case shall provide for and maintain a retrospective date prior to or concurrent with the commencement of the Drilling Services and additionally a minimum automatic extended reporting period of no less than ninety (90) days. Such 'claims-made' coverage shall be maintained continuously, on substantially the same material terms to the extent reasonably commercially available, for a period of at least five (5) years following completion of the Drilling Services, through extension or renewal of such coverage or through the purchase, at Contractor's sole expense, of an additional extended reporting period and/or run-off or 'tail' coverage acceptable to Operator. In the event Contractor is notified of any intention of the issuer or underwriter of any such 'claims-made' coverage not to renew such coverage during the period required by this Contract, Contractor shall notify Operator within 30 days.

The limits specified below are minimum requirements and shall not be construed as being a limitation of either liability or indemnity or as constituting acceptance by Operator of responsibility for financial or other liabilities or indemnities in excess of such limits.

(a) Workers' Compensation and Employer's Liability Insurance including but not limited to maritime liability coverage or similar statutory social insurance as required by applicable law at the site where the Drilling Services will be performed and/or state of hire or such other jurisdiction under which Contractor may become obligated to pay benefits and providing coverage for all Contractor's employees and agents engaged in accomplishing the Drilling Services. Contractor shall ensure that its Subcontractors also maintain insurance for such purpose in respect of their employees. The Employer's Liability Insurance (and maritime employer's liability insurance, if applicable) shall cover Contractor's liabilities with limits of not less than US One Million Dollars (US\$1,000,000)

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for each accident each occurrence. Such insurance shall ensure claims formulated by Contractor’s employees against Operator are treated as claims against Contractor and covered by such insurance.

(b) Commercial General Liability Insurance covering all operations by and on behalf of Contractor on an occurrence basis against claims for bodily injury, property damage and personal injury relating to the Drilling Services as may be required and to the levels required by statute or similar regulation in countries where such Drilling Services will be performed by Contractor (or its Subcontractors) subject always to an occurrence limit of not less than US One Million Dollars (US\$1,000,000) for each accident each occurrence and US Two Million Dollars (US\$2,000,000) aggregate, which shall remain in effect for the duration that Contractor has any obligations under this Contract and shall meet the following requirements for liabilities assumed by Contractor under this Contract: (i) deletion of any exclusion, restriction or limitation relating to explosion, collapse, and/or underground property damage hazards; (ii) Products and Completed Operations Coverage; (iii) Contractual Liability Coverage; (iv) Independent Contractors Coverage; (v) deletion of all watercraft exclusions (vi) “In Rem” endorsements so that an action taken “in rem” shall be treated as a claim “in personam” against Contractor and/or Operator Group; (vii) Coverage for “Action Over” claims; (viii) Sudden and Accidental Seepage and Pollution Coverage; (ix) Personal Injury and Advertising Liability Coverage; (x) Bodily Injury and Property Damage Coverage; (xi) Premises and Operations Coverage. (xii) Territorial extension to cover all work areas; (xiii) Punitive, Exemplary, Multiplied Damages Coverage, provided however, that such coverage is not required if prohibited by applicable Law; (xiv) where applicable, coverage for liability resulting from the consumption of food prepared or served by Contractor or Subcontractor.

(c) Commercial Automobile Liability Insurance covering all owned, hired, leased, rented, or non-owned automobiles and automotive equipment used by Contractor in connection with the execution of the Drilling Services, as may be required and to the levels required by statute or similar regulation in countries where such Drilling Services will be performed by Contractor (or its Subcontractors), subject always to a combined single limit of not less than US One Million Dollars (US\$1,000,000) for each accident each occurrence for bodily injury and/or property damage.

(d) Full Form and Conditions Hull and Machinery Insurance covering all vessels and marine craft (whether navigable or not) and equipment, including but not limited to hull and machinery owned, leased, chartered or hired by Contractor for the full replacement value thereof providing coverage against losses or damage by such perils and risks including but not limited to war risks and collision liability on an AIHC form or equivalent including collision liability with the sistership clause unamended and having the full collision/tower’s liability endorsement. In addition, the policy shall be endorsed (a) to provide full coverage to Operator Group as additional insured without limiting coverage to liability “as owner of the vessel” and to delete any “as owner” clause or any other language purporting to limit coverage to liability of an insured “as owner of the vessel”; and (b) to delete any language limiting coverage for Operator Group in the event of the applicability of the Limitation of Liability Statute.

(e) Full Form and Conditions Protection and Indemnity Insurance and/or Marine Liability Insurance for owned, non-owned or hired waterborne craft/vessels covering Contractor’s liabilities including but not limited to crew, pollution, wreck, broad form collision and contractual liability arising from the use and/or operation of the said craft of not less than US One Hundred and Fifty Million Dollars (US\$150,000,000) or the market value of each vessel whichever is greater, owned, hired, chartered or borrowed under other agreements by Contractor Group and used in connection with this Contract. All Protection and Indemnity insurance policies shall be on Form SP23 or equivalent and shall meet the following requirements and have the following endorsements, if applicable:

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(i) Coverage for master and members of crew, including but not limited to admiralty benefits and damages under the Jones Act, Death on the High Seas Act and General Maritime Law, and including wages, transportation, maintenance and cure; (ii) Third Party Bodily Injury and Property Damage; (iii) Sudden & Accidental Pollution Liability; (iv) Contractual liability coverage for liabilities assumed by Contractor under the Contract; and (v) Sue and Labor and Salvage Charges. In addition, the policy shall be endorsed (a) to provide full coverage to Operator Group as additional insured without limiting coverage to liability “as owner of the vessel” and to delete any “as owner” clause or any other language purporting to limit coverage to liability of an insured “as owner of the vessel”; and (b) to delete any language limiting coverage for Operator Group in the event of the applicability of the Limitation of Liability Statute.

There shall be included under the Protection and Indemnity Insurance or the Hull and Machinery Insurance, a separate limit of US Ten Million Dollars (US\$10,000,000) of voluntary removal of debris coverage, which shall apply if Operator determines that removal of any wreck or debris is required by Law, the wreck or debris interferes with Operator’s current or expected operations, interferes with existing navigational routes, or the wreck or debris subjects Operator Group to liability, damage, or additional cost.

(f) If aircraft, including helicopters, are to be furnished by Contractor in performance of Drilling Services under the Contract, Contractor must carry or require the owners of such aircraft to carry Aircraft Liability Insurance for all owned, hired, chartered, borrowed and non-owned aircraft whether fixed wing or rotary with contractual liability provisions, covering bodily injury including passenger liability and property damage, hangarkeepers liability and ground liability including products and completed operations in the amount of US Fifty Million Dollars (US\$50,000,000) combined single limit each occurrence, and all risk hull insurance in an amount equal to the full replacement value of the aircraft. Alternatively, Contractor may obtain from the owner or operator of such aircraft a Certificate of Insurance in favor of the Operator Group evidencing such coverage and naming Operator Group as additional insured and waiving rights of subrogation against Operator Group and its underwriters as specifically stated above in this first paragraph of this Attachment. Such Certificate of Insurance to be provided to Operator prior to commencement of operations and to be in full force and effect for duration of the Contract.

(g) Excess Liability Insurance with a limit of not less than US One Hundred Million Dollars (US\$100,000,000) any one accident or occurrence and in the aggregate in respect of bodily injury, personal injury and property damage. Such policy(ies) shall be excess of but not be limited to, the liability insurance required in a, b, c, e and f above and shall attach at the exhaustion point of each such required underlying policy so that no gap in coverage occurs. Coverage shall be at least as broad as each underlying insurance policy required in a, b, c, e and f above.

(h) All Risk Physical Damage Insurance covering all Contractor equipment, plant, machinery and facilities used in performing the Drilling Services under the Contract including transit thereof, whether owned, hired or leased up to the full replacement value. Such policies must cover loss or damage to equipment below the surface of the water if such loss or damage is caused by any of the perils insured against. At the option of Contractor, where applicable, this coverage may be included in the Hull Insurance as outlined hereinabove.

All Risk Insurance as herein required covers transit risk, including storage, loading and unloading. Contractor shall satisfy the Operator that adequate insurance coverage is applicable on the rig and Contractor equipment being moved, or obtain coverage as required so that Operator shall not pay for any Contractor transit risk insurance, for the protection of all Parties; or Contractor may, at its option, and at its expense, make

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arrangements for the transporting company to obtain transit risk, including loading and unloading, with the understanding that proof of such coverage shall be submitted in the manner provided for Contractor’s coverage, and the coverage shall give the same protection as a policy written for Contractor to meet the requirements of the Contract.

- (i) Any other insurance(s) which may be relevant and/or necessary and/or which may be required by applicable Law.

Certificates of Insurance. Prior to commencement of the Drilling Services hereunder, the Contractor shall furnish to the Operator certificates of insurance signed by an authorized representative evidencing the coverage, limits, endorsements and extensions required herein. In the event the certificate(s) of insurance expire during the performance of the Drilling Services, Contractor shall furnish Operator within 30 days with a renewal certificate(s) of insurance evidencing the same insurance as required herein as well as prior notice to any non-renewal, cancellation or material adverse changes. On Operator’s request Contractor shall furnish to Operator copies of insurance policies evidencing such coverage. Operator shall have the right to withhold payment of invoices until receipt of such certificate(s). Commencement or performance of services without delivering the certificate(s) of insurance shall not constitute a waiver of Contractor’s obligations to provide the required coverage. Operator’s receipt of certificates of insurance or policies and/or failure to object to same is not a waiver of any insurance requirement set forth herein.

No Cancellations. All of the described policies shall contain provisions that no cancellation, non-renewal, or material changes in the policies shall become effective except on thirty (30) days prior written notice to Operator.

Subcontractor Insurance. Contractor shall ensure that any Subcontractors engaged for any portion of the Drilling Services procures and maintains insurance at Subcontractor’s expense as provided in this Attachment as to pertinent and customarily maintained insurance with respect to such Subcontractor’s services, together with such other insurance as may be required by Contractor or as Operator may consider necessary and shall furnish Operator acceptable evidence of such insurance upon request. Any deficiencies in the coverage or policy limits of Subcontractor’s insurance and any and all deductibles, retentions and retrospective or loss sensitive premiums shall be the sole responsibility of Contractor.

Minimum Limits. The limits herein are minimum requirements and shall not be construed as being a limitation of either liability or indemnity or as constituting acceptance by Operator of responsibility for financial or other liabilities or indemnities in excess of such limits. Contractor shall purchase sufficient insurance coverage to reinstate the limit(s) under any of the above policies that are impaired, reduced and or exhausted by virtue of a claim resulting from any of Contractor’s operations.

Failure to Comply. Failure to secure or maintain the required insurance coverages, or the failure to comply fully with any of the insurance provisions of the Contract, or the failure to secure such endorsement on the policies as may be necessary to comply with the Contract shall be a breach of the Contract. In the event that liability for any loss or damage is denied by the insurer(s) or underwriter(s), in all or in part, because of breach of said insurance by Contractor, or if Contractor fails to maintain or secure any of the required insurance, Contractor shall defend Operator Group and employ separate counsel acceptable to Operator against all claims, demands and causes of action of every kind, and shall release, defend, and indemnify Operator Group against any and all costs, expenses (including attorneys’ fees) and liabilities which would otherwise be covered by said insurance. Operator shall be fully apprised of the defense and shall have the right to participate in and consent to any settlement. Any settlement shall not be made without the prior written consent of Operator obtained after reasonable notice.

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Reports of Accidents. Contractor shall immediately report to Operator all accidents or occurrences resulting in injuries to Contractor’s Personnel, agents, licensees or invitees, or damage to property arising out of or during the course of the Drilling Services, performed by Contractor or any Subcontractor of Contractor, and when requested, shall furnish Operator with a copy of all non-privileged reports made by Contractor to Contractor’s insurer or to others of such accidents or occurrences. Contractor also shall immediately report to Operator any Claims pertaining to the foregoing. Contractor also shall immediately report all such accidents, occurrences, claims, demands or suits to all relevant insurance/insurers, underwriters as specified and required by each policy.

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***SECTION 4***

***STATEMENT OF REQUIREMENTS***

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## STATEMENT OF REQUIREMENTS

### CLAUSE 1 OBLIGATIONS OF CONTRACTOR

Contractor shall carry out the Drilling Services and perform all its obligations under the Contract with due diligence and care, in a good and workmanlike manner, in accordance with good drilling practices, without undue delays and in conformity in all respects with the terms and conditions of the Contract.

All defined terms shall have the same meaning as in the Conditions of Contract unless otherwise defined in this Statement of Requirements.

### CLAUSE 2 WORK TO BE PERFORMED BY CONTRACTOR

Contractor shall:

#### 2.1 Drilling Services

Drill vertically or directionally, complete, side track, suspend, plug and abandon or workover Wells and carry out such other drilling operations on Wells in accordance with the drilling and other programs issued by or instructions given by Operator from time to time (the “**Drilling Services**”). The Contract Depths specified in such programs are predictions and may be subject to change by Operator.

#### 2.2 Casing and Tubing

Run strings of casing, liner and tubing (hereinafter referred to as “**Tubulars**”) as specified in the Well programs issued by Operator from time to time. Contractor shall store, handle, run and land with such Tubulars in accordance with Operator’s procedures.

#### 2.3 Recovery of Tubulars

Whenever so requested by Operator endeavour to recover strings of Tubulars from a Well.

#### 2.4 Depth Measurement

Keep an accurate measurement of the Contract Depth in metres and record such Contract Depths on Operator’s daily drilling report and on IADC-API approved Daily Drilling Reporting system. Operator shall have the right at any time to require Contractor to make check measurements of the Contract Depth in such manner as Operator may specify that is considered safe to do so by the Contractor.

#### 2.5 Specialized Operations

Whenever so instructed by Operator permit and assist Service Companies to carry out cementation, formation testing, stimulation, logging, diamond drilling, turbine drilling, coring, directional drilling, inspection and making up and/or pressure testing of tubulars or any other specialized operation.

2.6 Pressure Testing

Carry out pressure testing of wellheads, casing strings, blow-out prevention (“**BOP**”) equipment, casing cement jobs and other equipment specified by Operator in accordance with the procedures prescribed from time to time by Operator/Regulator. The results of all such tests shall be noted on Operator’s Daily Drilling Report and on IADC-API Daily Drilling Report Forms.

2.7 Drilling Fluid

Make, condition and control drilling fluids in accordance with mud programs issued from time to time by Operator, under the supervision of or in accordance with instructions given by Operator.

2.8 Cores

Whenever required to do so by Operator’s Representative save, clean and identify (with regard to Contract Depth) cores, keep them free from contamination and place them in containers provided by Operator and deliver them to Operator.

2.9 Well Deviation Surveys

Make deviation surveys with instruments listed in Section 7 whenever Operator may so require.

2.10 Care and Use of Tubulars

- (a) properly handle, store and tally all Tubulars while in the Contractor’s possession.
- (b) retain thread protectors on all Tubulars until instructed by Operator to remove for cleaning and lubricating with API approved thread cleaning and thread lubricating compounds provided by Contractor prior to running in the hole.
- (c) check Tubular drift diameters with mandrels provided by Operator or Contractor whenever so instructed by Operator.
- (d) employ Tubular thread protector provided by Contractor when handling Tubulars between the rack and the rig floor.

2.11 On Location Inspection of Operator’s Materials

Inspect visually for defects all Operator’s Materials before using them and notify Operator of any such defects apparent therein.

2.12 Work Period

Operate the Drilling Unit on the basis of a twenty-four (24) hour day and a seven (7) day week without shutdown for holidays unless otherwise instructed by Operator or unless required so to do in order to comply with the



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Laws or properly authorised local authority having jurisdiction over the Contract Area.

Crew change periods shall be in accordance with Schedule 6.1 of Section 6 hereto.

2.13 Handling and Storage of Operator’s Materials and Service Company materials

Whenever required by Operator (who shall not require unreasonably, taking account of constraints of weather, availability of Contractor’s Personnel, capacity of Contractor’s Equipment and space or weight limitations on the Drilling Unit) take on board at a location mutually agreed between the Parties or such other location designated by Operator or unload Operator’s Materials and Service Company materials from Operator’s work boats onto the Drilling Unit and store and handle Operator’s Materials and Service Company materials thereon. Whenever so required by Operator (who shall not require unreasonably) unload Operator’s Materials and Service Company materials from the Drilling Unit onto Operator’s work boats.

It is the responsibility of Contractor to store and maintain records of such storage of all items of equipment and material loaded onto the Drilling Unit.

2.14 Documentation for Operator’s Materials and Service Company materials

Acknowledge receipt and despatch of Operator’s Materials and Service Company materials in accordance with instructions laid down by Operator from time to time. Contractor shall have a duty of care towards all such materials and equipment which have been left in Contractor’s possession for safe storage by Operator and Service Companies.

2.15 Materials and Logistics Support

Contractor shall employ a qualified and experienced Materials/Logistics Supervisor who shall be available at all times to arrange and supervise all Contractor’s Equipment and Contractor’s Personnel movements. The Materials/Logistics Supervisor shall maintain day to day liaison with Operator’s Base Manager in order that efficient and timely scheduling, loading and unloading of supply vessels and helicopter operations is maximized.

Contractor shall at all times comply with Operator’s instructions and requirements with regard to all materials and logistics operations including the import and export of equipment, materials and supplies together with the movement of personnel. Such instructions, as aforesaid, shall be supplied to Contractor in writing and may be modified from time to time at Operator’s discretion.

**CLAUSE 3 FACILITIES AND DRILLING SERVICES TO BE PROVIDED BY CONTRACTOR**

Unless otherwise stated Contractor shall at its cost and expense furnish all facilities and Drilling Services necessary for the proper performance of its contractual obligations including but not by way of limitation:

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- 3.1 Accommodation and messing for Contractor’s Personnel on the Drilling Unit to standards approved by Operator.
- 3.2 Accommodation and messing for Operator’s Personnel, its trainees, its Service Companies’ personnel on the Drilling Unit to the same standard provided by the Contractor for its Personnel.
- 3.3 One room on the Drilling Unit shall be used exclusively as an infirmary and shall be designed and equipped therefore together with adequate medical supplies. Operator shall evacuate any casualties among the Contractor’s Personnel on the Drilling Unit and Contractor shall reimburse Operator there for up to the limit of Contractor’s insurance. Contractor shall be entirely liable at its cost for any subsequent medical treatment.
- 3.4 Operator shall have the right to inspect such accommodation, messing and medical facilities at any time. Contractor shall comply with procedures in respect of safety and hygiene as Operator may issue from time to time.

**CLAUSE 4 THE CONTRACTOR’S EQUIPMENT**

Contractor shall:

- 4.1 at the Operations Commencement Date make the Contractor’s Equipment available at the first Location in the Contract Area at its cost and expense.
- 4.2 prior to the Mobilization Commencement Date give written evidence to Operator that the Drilling Unit has proper Certification.
- 4.3 ensure that Classification and the Certification is maintained at Contractor’s cost and expense throughout the duration of the Contract and any extensions thereto.

In the event that during the continuance of the Contract the Certification lapses then Contractor shall use its best endeavours to have the Drilling Unit re-certified by the applicable Governmental Official for the remainder of the period of the Contract by means of an on-site inspection, tests and trials (by the applicable Governmental Official) at a time or times agreed with Operator.

- 4.4 use its best endeavours to implement without delay, but after consultation with Operator, any alteration, replacement or other change to the Drilling Unit that may be required by any Law of any local or duly constituted authority having the force of law in the Contract Area. All costs incurred by Contractor in implementing such alterations as aforesaid shall be to Operator account.
- 4.5 assist Operator with procurement of any items required to be replaced in inventory under Attachment 1 to Section 4, Clause H.7. which Operator will manage and will provide order details to Contractor.
- 4.6 upon request of Operator, make available to Operator all or any of the following:
  - (a) the environmental design criteria of the Drilling Unit.

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- (b) all records of surveys, repairs and modifications of a structural nature that have been made to the Drilling Unit since it was first launched.
  - (c) of the current and past official Marine Log Books pertaining to the Drilling Unit, records of Inclining Test Results of the Drilling Unit and any other records which have been made which report on the structural integrity and stability history of the Drilling Unit.
  - (d) authorization from Contractor to the Classification Society (the “Society”) by whom the Drilling Unit is classified to enable the Society to release to Operator such details or information concerning the Drilling Unit as Operator may request and which is available in the records of the Society.
- 4.7 during the continuance of the Contract, maintain and repair the Drilling Equipment to ensure that its performance meets the specifications quoted by the manufacturers and that the quantities of the Equipment are maintained.
- 4.8 whenever so requested by Operator permit and give every assistance for an inspection of the Contractor’s Equipment to be carried out by Operator or its Service Company. Operator shall have the right to reject all or any part of the Contractor’s Equipment so inspected which does not meet the manufacturer’s specification or for considerations of safety or hygiene and Contractor shall forthwith at its cost and expense replace such rejected Contractor’s Equipment with other equipment to the reasonable satisfaction of Operator. Pending such replacement Operator shall have the right to shut down the operation.
- 4.9 prior to the Operations Commencement Date, arrange at its cost and expense for Contractor’s in-hole equipment to be inspected by an independent tubular inspection service company approved by Operator and make the certificates of inspection available to Operator. Operator shall have the right to reject any defective in-hole equipment so inspected and Contractor shall at its cost and expense repair or replace such rejected items to the reasonable satisfaction of Operator. In the event that new in-hole equipment is provided by Contractor, Operator will waive the inspection requirement and accept the manufacturer’s certificates in lieu thereof.
- 4.10 Arrange thereafter, at Operator’s cost and expense, for all items of Contractor’s in-hole equipment to be inspected by an independent tubular inspection company, approved by Operator, at times to be agreed with Operator’s Representative and at intervals as follows:
- (a) Kelly saver subs and bottom hole assembly, comprising drill collars, heviwate drill pipe and substitutes, at intervals of one Well.
  - (b) Drill pipe and pup joints at intervals of 30,000 feet or after completing three Wells, whichever comes first to DS1-Cat 4.

In the event of drill string failure during the aforesaid intervals Operator shall arrange at its cost and expense for an inspection to be made, as aforesaid, as soon as possible thereafter, at a time to

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be agreed with Operator’s Representative. As a consequence of the inspection, Contractor shall:

Either

(i) repair or replace, at its cost and expense, items rejected as consequence of such inspection. If in the opinion of Operator’s Representative the safety or efficiency of operations are reduced arising out of the rejection of any item of Contractor’s in-hole equipment then the provisions of clause 5.2 of Section 2 (the Conditions of Contract) shall apply.

or

(ii) in the event that Contractor can demonstrate, by reference to records or to the report of an industry approved independent company, that the rejection of any item of the drill string was caused by either the published performance limits of the drill string having been exceeded or by having been exposed to the deleterious effects of H2S and/or gases or liquids, during the performance of operations under the Contract, then Contractor shall repair or replace items rejected and Operator shall reimburse Contractor for the costs of repair or replacement of any item rejected in accordance with this sub-clause.

For the purpose of this sub-clause, “inspection” shall include but not necessarily be limited to electronic Tubular inspection, inside and outside optical inspection, gauging of the outside diameter and tool joint threads, and general inspection on all drill pipe (including heviwate, pup joints and in-hole tools), and magnetic particle inspection on drill collar connections and substitutes, and “rejection” shall mean any drill pipe not meeting the requirements of API premium pipe as set out in the current edition of TH Hill DS1 Cat 4. Drill collar connections (over 6” and including tools and subs) to incorporate stress relief features either stress relief grooves to DS1 Cat 3 to 5 or the “Drilco bore back box”.

Contractor shall make the certificates and reports of all such inspections available to Operator.

- 4.11 At intervals of not longer than 6 (six) months arrange for magnetic particle inspection of its tongs, elevators, bails kelly, upper string connections and other lifting equipment to be carried out at its cost and expense by an independent inspection company approved by Operator. Contractor shall make all such inspection reports available to Operator and shall replace or repair at its cost and expense any item so rejected.
- 4.12 Whenever so requested by Operator’s Representative in writing after the Commencement Date and mutually agreed by Contractor’s Representative, supply and deliver to and operate all such further equipment, materials or modifications to the Contractor’s Equipment as Operator’s Representative

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may require, which shall then be listed in Section 7 hereof and thereafter be deemed to be part of the Contractor’s Equipment.

- 4.13 Importation and exportation of Contractor’s Equipment and materials. All Contractor’s Equipment, materials and other things required in connection with the Contract shall be consigned to and shipped in the name of Contractor to Operator designated load out point. Contractor will be solely responsible for organizing the delivery to the designated load out point at its sole expense and cost. Contractor will be liable for any customs duties or related taxes due to non-compliance with the procedures under this Clause.

Contractor shall become informed of and comply with all pertinent rules and regulations relating thereto, so as not to prejudice any exemption to which Operator or Contractor would otherwise have been entitled and that Contractor shall fully comply with any instructions issued from time to time by the relevant authorities or Operator.

To obtain duty free importation of the Contractor’s Equipment required in the provision of the Drilling Services and to ensure adequate control and compliance with the documentary requirements of the relevant authorities Contractor will be required to form an agreement with an appointed clearing agent and pay such fees and charges as are agreed between Contractor and the aforementioned agent, such fees and charges will be for the account of Operator. Any such agreement will contain anti-corruption compliance language approved by Operator to ensure compliance with all applicable anti-corruption Laws, including the FCPA, UK Bribery Act of 2010 or other applicable anti-corruption Law.

Contractor shall maintain and preserve all records and documents of use and anything else that may reasonably be required to preserve any exemption from duty obtained for a period of two years from completion of this Contract.

**CLAUSE 5 FIRE AND SAFETY**

**5.1 Fire and Safety Precautions and Emergency Procedures**

- (a) Contractor shall ensure that an organization with defined authority and responsibility for all matters associated with the safety of the Drilling Unit and the Drilling Equipment and the safety, health and welfare of Contractor’s Personnel is maintained throughout the duration of the Contract within the Contract Area.

The procedures for making any change in the person in overall charge as aforesaid shall be clearly set out in Contractor’s operating procedures and any change so made shall be recorded in the logbook of the Drilling Unit and the name of the person in overall charge so replaced shall immediately be removed from the place where it was clearly displayed as aforesaid and the name of the new person so appointed shall be substituted.

- (b) To the extent that they are neither inconsistent with nor less stringent than Contractor’s rules, policies and procedures pertaining to the safety of Contractor’s Personnel and the Contractor’s Equipment, Contractor shall observe Operator’s fire, safety, health and

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environmental regulations and comply with the Laws relating to equipment, personnel, communications, supply, transportation and safety practices as specified by the government bodies and institutions exercising jurisdiction in the Contract Area. Contractor shall use its reasonable efforts to obtain, read and understand such rules and regulations as aforesaid.

## 5.2 Blowout and Fire Hazards

- (a) Periodic Maintenance and Inspection of the subsea well control system components shall be conducted at least every five years in accordance with API 53, 4<sup>th</sup> edition, Nov 2012. Contractor shall provide evidence of original equipment manufacturer certification (OEM) and/or independent third party re-certification of subsea BOP stacks and other well control equipment, within the last five years in order to verify and document that the well control equipment’s condition and properties are within the specified acceptance criteria, specific recognised codes and standards including but not limited to API 53. Contractor shall maintain certification of well control equipment and shall maintain said equipment in good operating condition during the Term, and shall use all reasonable means to prevent fire or blowout and to protect the Well. Contractor shall deploy the BOP equipment as instructed by Operator on all strings of casing during the Drilling Services and shall keep and maintain such equipment in good operating condition in accordance with manufacturers’ requirements. Contractor shall examine and test all blowout prevention devices in accordance with Operator’s instructions and Operator’s approved test procedures.

Test results shall be noted on the relevant test report sheets in addition to the approved IADC-API Daily Drilling Reporting system.

The BOP annular rubbers shall be inspected by an Operator provided independent Third Party or supplier to a minimum API 53 standard prior to the Commencement Date. In the event that the inspection is satisfactory the BOP shall be tested to close on a 3.1/2” drill pipe effectively. If the test is satisfactory the BOP shall be deemed to be accepted. If it fails the test then the replacement parts are to Contractor’s account. All BOP actions resulting from the BOP inspection must be closed out to the satisfaction of Operator and Contractor prior to every deployment.

Electronic and/or hard copies of all applicable standards and specifications, relative to the well control equipment shall be readily available. Drawings showing ram space out and bore of the BOP stack and drawing of the choke manifold showing the pressure rating of the components shall be posted on the rig floor and maintained up to date. A P&ID of the BOP control system shall be maintained on file at the rig.

In the event that BOP is used for non-routine work during the Contract, i.e. well control, stripping through, then Operator shall pay for replacement consumable parts and remediation time at the Standby Rate as necessary.

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- (b) In the event of kick, blowout or fire in any Well, or if any Well gets out of control in any manner, Operator shall have the right, but not the obligation, to have complete control and supervise the work required to regain full control of the Well, except for the marine operations of the Drilling Unit. During such period Contractor shall use its reasonable endeavours to make Contractor’s Personnel and Drilling Services available at the Well; if Contractor’s Personnel are not available during any such period when Operator has assumed control the applicable Daily Rate specified herein shall be reduced by Operator to reflect any savings made by Contractor.

In the event that a Well being drilled hereunder shall blowout or crater, it is understood and agreed that Operator shall bear the entire cost and expense of killing the Well or otherwise bringing it under control. All rights and indemnities otherwise granted herein shall remain unaffected.

**CLAUSE 6 CONTRACTOR’S OTHER OBLIGATIONS**

**6.1 Contractor not to start Drilling Services without permission**

Contractor shall not at any Location commence any Drilling Services until Operator’s Representative has certified in writing on the IADC Reporting system that the Contractor’s Equipment is acceptable and ready to commence the Drilling Services.

**6.2 Contractor not to solicit for hire**

Contractor shall not at any time or in any manner, nor for any purpose whatsoever, solicit for hire either directly or indirectly any person employed by Operator or in the employment of any Service Company.

**6.3 Moving Operations**

Before any moving operations are undertaken Contractor shall consult with Operator upon weather and other information available at the time but the responsibility for the decision to commence moving operations shall be Contractor’s. Towing vessels provided by Operator shall be subject to approval of Contractor, not to be unreasonably withheld, conditioned or delayed. Operator shall provide to Contractor if so requested the conditions of the charter party for such towing operations, subject to any confidentiality provisions in place with such charter party.

**6.4 Inspection of Contract Area**

Contractor shall be deemed to be satisfied as to the nature of all existing harbours and means of transport or communication on the mainland of the Contract Area, and as to possible interruptions thereto and as to access to and from the Contract Area; to have made enquiries, examined and satisfied itself as to workyard sites and such depots and buildings as may be required for carrying out its obligations under the Contract and Country Contract; to have made local and independent enquiries as to storms, prevailing winds

and climatic considerations generally and other similar matters; to be satisfied as to the sources and means of obtaining adequate supplies of skilled and unskilled persons and all other things required for carrying out the Contract and the Country Contract; to have considered the possible effects on the carrying out of the Contract and Country Contract that may be caused by the breakdown of communications or by reason of storms, prevailing winds and adverse climatic weather conditions which may arise at any time during the continuance of the Country Contract within the Contract Area; to have examined the Contract and Country Contract generally and to have obtained all necessary information on all matters whatsoever which may affect its performance thereof.

In the event that Contractor does not satisfy itself on any of such matters as aforesaid this shall not relieve it from its obligations hereunder and shall not entitle it to any increase in any rate or charge under the Country Contract nor to any compensation or amount whatsoever additional to such charges, and in the event of any Claim under the Contract or Country Contract or Law being made by any Party, Contractor shall be deemed to have so visited, examined and satisfied itself as aforesaid prior to the date hereof.

#### 6.5 Quality Management

Contractor shall have in place and operate a quality management system which shall manage all associated services and operations forming the Drilling Services, including, where applicable, sub-contracts.

The quality management system shall be in accordance with ISO 9001, or any other recognised or established standard/format as agreed with Operator, providing that all aspects of the Contract, the Country Contract and Drilling Services which affect the quality of the Drilling Services supplied are defined, documented, proceduralized (where required) and controlled under the system (including sub-contracted services).

Verification of these controls shall be made available to Operator upon request and the system may be subject to audit by Operator.

#### 6.6 Quality Control (Inspection and Testing)

6.6.1 Contractor shall establish and maintain an inspection and maintenance program for all equipment provided under the Contract (this shall include lifting equipments [elevators, bails etc.], downhole tools, load bearing and pressure containing tools etc.). The inspection shall be carried out by qualified personnel to procedures which meet the requirements of the applicable industry standards (e.g. API RP 7G, RP 8B etc.). The inspection and maintenance program and procedures may be subject to review and approval by Operator.

6.6.2 Contractor shall provide verification of equipment integrity and compliance with the inspection program with respect to equipment supplied under the Contract, and this verification may include (where applicable) the following:

- (a) NDE (non-destructive examination) Reports
- (b) Pressure test certificates.



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(e) Visual /dimensional inspection reports (e.g. End area inspection)

The above inspections shall be carried out in accordance with the agreed inspection program and meet the requirements of the relevant industry standards.

- 6.6.3 Contractor shall maintain a work and inspection history of equipment supplied under the Contract, verifying compliance with the inspection and maintenance programmes. All equipment supplied under the Contract shall be uniquely identified to maintain traceability to reports and the equipment work history.
- 6.6.4 Contractor Personnel carrying out NDE operations shall be qualified to ASNT Level II as a minimum,
- 6.6.5 Contractor Personnel carrying out specialist inspections (e.g. BHA, Premium connections etc.), shall have verification of adequate training in the specific discipline.

**CLAUSE 7 RESPONSIBILITIES OF OPERATOR**

Operator shall provide the following equipment, materials, supplies spare parts, services and personnel at its cost and expense unless stated otherwise.

**7.1. PERSONNEL**

- 1. Operator’s Representative and persons delegated by Operator to act on behalf of Operator’s Representative from time to time.
- 2. Operator’s technical specialists.
- 3. Operator’s Materials and Logistics coordinator

**7.2. SERVICES AND EQUIPMENT**

- 1. Specialist services.
- 2. Emergency medical evacuation services as available (on cost recoverable basis within the scope of Contractor’s insurance at Operator’s option).
- 3. Workboat supply service for all materials and a standby/workboat service.
- 4. Transport for Contractor’s Personnel and Subcontractor’s personnel between the primary international airport (or a reasonably located regional airport) on the mainland of the Contract Area, and the Drilling Unit. Such location(s) shall be identified in each Country Contract.

In the event that crew changes are delayed for reasons of weather or non-availability of helicopter or damage to Drilling Unit which prevents a helicopter from landing, Contractor will arrange and

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Operator will pay reasonable overnight hotel accommodation and meal costs and substantiated overtime costs.

5. Offshore drilling permit(s).
6. Drilling site surveys, buoying and clearing of obstructions.
7. All marine and air transport of Contractor’s and Operator’s items between Operator’s designated marine and air supply bases and the Drilling Unit. Operator shall select type of transport.
8. All cementing services.
9. Mud engineer if required by Operator (but Contractor will carry out routine mud testing and treatment).
- 9a. Mud Cleaning/Treatment, cuttings handling/drying/disposal
10. Mud logging service, if required by Operator.
11. Geological services.
12. Directional drilling service engineer and directional drilling equipment if required by Operator.
13. Drilling water if required, except that Contractor’s water making unit can be used in cases of emergency.
14. Bits and other downhole tools not supplied by Contractor and listed in Section 7.
15. Conductor pipe, casing, tubing and attachments.
- 15a. Casing crews and equipment to run items in 15.
16. Wellhead housings, casing hangers, seat protectors, pack-offs, wear bushings, corrosion cap and all associated running tools.
- 16a. Specialist vendor representatives to oversee inventory management, running and maintenance of items in 16.
17. Temporary and permanent guide bases
18. Cement and additives.
19. Mud chemicals and mud additives, including pallets if required by Operator.
20. Diesel fuel for use on the Drilling Unit.
21. Well test unit and associated equipment for production testing, including Separators and other test vessels.
22. Drill pipe, drill collars or subs other than those listed in Section 7.

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23. Stabilizers, hole openers, reamers and centralizers other than those listed in Section 7.
24. Drill stem testing equipment.
25. Radio equipment other than that listed in Section 7.
26. Loading and unloading services at supply / loadout bases or heliport of all material and equipment of Contractor and Operator.
27. Crude oil burner assemblies unless supplied by Contractor and listed under Section 7.
28. Navigation and positioning systems for siting the Drilling Unit.
29. Diving and ROV Services if required by Operator.

Operator requires and Contractor shall provide free of charge suitable space and services (including but not limited to communication equipment (telephone) and Drilling Unit Alarm system, air, water and electricity) for the Service Company's equipment and installations as listed above.

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*ATTACHMENT 1*

*TO*

*SECTION 4*

*CHECKLIST OF RESPONSIBILITIES*

**CHECK LIST OF RESPONSIBILITIES FOR SERVICES AND MATERIALS**

**PROVIDED BY OPERATOR (O) AND CONTRACTOR (C)**

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**A. DRILLING LOCATION**

1. Licences and consents to perform the operations, including suspension or abandonment.
2. Location survey to include marker buoys and side scan sonar.
3. Rig positioning services including Satnav.
4. Insurance underwriter representatives.

Provided By	To Account
O	O
O	O
O	O
C	C

**B. TRANSPORTATION/HANDLING**

1. Helicopter or marine transportation including emergency transportation for all personnel between designated point of embarkation and the Drilling Unit.
2. Marine transportation for equipment and spare parts between Operator's shore base and the Drilling Unit.
3. Transportation of Contractor's Personnel and Subcontractor's personnel to and from the Contractor's Personnel's point of origin to the primary international airport (or a reasonably located regional airport) in the country of operations. Such location(s) shall be identified in each Country Contract.
4. Immigration clearance for Contractor's Personnel and Subcontractors' personnel
5. In the event crew changes are delayed for reasons set out in sub-clause 7.2.5 of Section 4 for overnight hotel accommodation and meal costs including any overtime charges
6. Transportation of Contractor's Equipment between Operator's shore base or heliport and Contractor's shore base
7. Dock and dockside facilities, labour and equipment for loading/unloading the Operator's Materials or Contractor's Equipment at Operator's shore base (to include in storage).
8. Offloading facilities and equipment (i.e. rigging, slinging, personnel baskets, etc.) to transfer personnel and cargo from Operator's supply vessel onto the Drilling Unit. No Contractor's Personnel or Subcontractor's personnel will be required to go on board the supply vessel for the purpose of loading or

Provided By	To Account
O	O
O	O
C	C
C	C
O	O
O	O
O	O
O	O

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offloading cargo. Operator should provide appropriate rigging, lifting equipment for Operator's cargo and equipment. Contractor will provide cranes and Contractor Personnel for handling cargo on the Drilling Unit only.

C	C
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**B. TRANSPORTATION/HANDLING (CONT'D)**

- 9. Hoses and couplings for transfer of bulk and liquid materials between supply vessels and the Drilling Unit.  
Initial set  
Replacement sets
- 10. Transportation and containers for disposing of drilling waste, contaminated cuttings and fluids required.
- 11. Qualified and competent offshore radio and telex operator for 24 hour duty
- 12. Operators Communications equipment required for use on the Drilling Unit for communication with Operator's shore base other than specified in Section 7
- 13. Contractors communications equipment required for use on the Drilling Unit for communication with Operator's shore base (Contractor shall permit Operator reasonable use thereof) other than specified in Section 7
- 14. Standby Vessel
- 15. Fenders for Drilling Unit  
Initial set  
Replacement sets
- 16. Medivac transportation for Contractor's Personnel from the Drilling Unit to medical facilities on or before the Operations Commencement Date.
- 17. Medivac transportation for Contractor's Personnel from the Drilling Unit to medical facilities after the Operations Commencement Date.

Provided By	To Account
C	C
C	O
O	O
C	C
O	O
C	C
O	O
C	C
C	O
C	C
O	O

**C. SHORE BASE USED BY THE CONTRACTOR**

- 1. Reasonable space in Operator's office facilities to accommodate five (5) Contractor Personnel with telephone, internet and customary furniture
- 2. Warehouse and storage facilities for Contractor's Equipment

Provided By	To Account
O	O
O	O

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and Contractor's Personnel

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**D. DRY DOCKING/CERTIFICATION**

	<b>Provided By</b>	<b>To Account</b>
1. For time in dock for statutory testing inspections or trials (but excluding moving time)	C	C
2. Port fees, licences, import tariffs, pilotage fees, wharfage fees canal fees and cost of similar charges including any brokerage fees in respect of Contractor’s Equipment where Operator may not have an import/export exemption	C	C
3. Customs Duties, import tariffs where Operator may not have an import/export exemption	O	O

**E. THIRD PARTY SERVICES**

	<b>Provided By</b>	<b>To Account</b>
1. Diving equipment services and installation costs and R.O.V.	O	O
2. Drill stem testing tools and services	O	O
3. Electric well logging equipment and services	O	O
4. Mud logging equipment and services	O	O
5. Mud engineering services and supervision	O	O
6. Geological/mud laboratory and test equipment	O	O
7. Acidizing, fracturing and other specialist services	O	O
8. Directional drilling equipment and services	O	O
9. Cementing services using cementing unit provided on a “free placement” basis	O	O
9a Maintenance of cementing unit if provided by Contractor	C	C
9b Maintenance of cementing unit if provided by Operator	O	O
10. Coring Services and equipment	O	O
11. Tubing and casing running services	O	O
12. Extra welders and welding material used on welding and cutting Operator’s equipment as authorised by Operator	C	O
13. Well completion services	O	O
14. Well test equipment and services	O	O
15. Weather forecasting and reporting services	O	O



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16.	Specialist services and equipment not designated herein but required for the operations	O	O
	16.a. Clean out of oil storage tanks and disposal of contents, including brine, base oil and synthetic base materials, at the end of the Contract.	C	O
17.	Inspection of drill pipe, drill collars, other in-hole equipment as per Clause 4.10 Section 4.		
	- Prior to Commencement of Operations	C	C
	- Other	C	O
	- Inspection upon the conclusion of Contract	C	O
18	Space, assistance and services for Service Company personnel and equipment onboard the Drilling Unit	C	C
19.	Inspection and repair of marine riser	C	C
	20. Transportation, preservation, maintenance and storage of riser (and any other equipment normally stored on the Drilling Unit), that has been removed from the Drill Unit at Operator's request.	C	O
	21. Array beacons deployed, owned by Contractor, but are deployed by Operator's ROV. Failure to recover beacons at the end of a Well requires replacement of such array beacon(s), subject to Contractor's indemnity obligations under Clause 6.2(a) and (b) of Section 2, as applicable. In the event such array beacons are under Operator's care, custody or control, and Operator fails to recover such beacon(s), Operator shall be responsible for replacement costs.	C	O
	22. Perform an elastomer vs drilling fluid compatibility test done prior to Operations Commencement Date to cover as many Drilling Unit elastomers as possible.	C	O
	22.a Changes in the above elastomer specifications to counter effects of drilling fluid occurring after the Operations Commencement Date.	C	O

**F. MATERIALS AND SUPPLIES**

		<b>Provided By</b>	<b>To Account</b>
1.	Cement and cement additives	O	O
2.	Mud chemicals and completion fluids	O	O
3.	Fuel for Drilling Unit	O	O

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4.	Lubes for Drilling Unit	C	C
5.	Casing dope	O	O
6.	Grease and lubricants (other than item 4. above) for equipment supplied by Contractor	C	C
7.	Hydraulic fluid for blow-out preventers and control unit	C	C
8.	Drilling Water	O	O
9.	Potable water in excess of rated production capacity of water distillation unit installed on board.	O	O
10.	Drilling bits, diamond bits, and core heads	O	O
11.	Shale shaker screens. Reimbursement for these items shall be when the screens have been loaded onto the Drilling Unit and Operator has received an invoice at the address set forth in the Invoicing Procedures under the Country Contract. Operator's drilling fluids vendor will be responsible for the management of these items once they have been loaded onto the Drilling Unit effective as of the Operations Commencement Date	C	O
12.	Repair and replacement parts for fishing tools, resulting from "in-hole" damage	C	O
13.	Casing protectors for drill pipe	C	O
	- initial set	C	O
	- replacement set(s)	C	O
14.	BOP and riser consumables (initial set)	C	C
	Replacement rubber goods and ring gaskets, flex joint rubbers, including riser string seals, VBR packers, annular packing elements and diverter packers, for BOP stacks due to normal or abnormal wear and tear. This is to be documented from initial inspection of rubber goods and end inspection of rubber goods. Rubber goods are to be compatible for use in OBM and SBM.	C	O
	Upon the completion of the Final Well, new rubber goods and ring gaskets, flex joint rubber, including riser string seals, VBR packers, annular packing elements and diverter packers for all drill-through equipment will be acquired. Rubber goods are to be compatible for use in OBM and SBM.	C	O
	Repair and replacement of Contractor subsea well control equipment due to abnormal wear and rear such as the key seating with documentation of the initial condition and the end condition and proven cause of damage.	C	O

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- 16. Replacement blades for stabilisers, roller reamers etc
- 17. Repair kits for: flood valves Kelly cocks (upper and lower) and inside BOP's

O	O
C	C

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**G. DRILLING EQUIPMENT AND UNIT**

	<b>Provided By</b>	<b>To Account</b>
1. Contractor's Equipment	C	C
2. Fishing tools for Contractor's In-Hole Equipment	C	C
3. Tubing	O	O
4. Tubing handling equipment	O	O
5. 3.1/2" drill pipe including drill collars and handling tools.	O	O
6. Cementing heads	O	O
7. Elevators, tongs and handling tools for 30", 20"16", 11 3/4", 13 3/8", 9 5/8" and 7" casing (As specified in Section 7 Part 2 only)	O	O
8. Drilling bumper subs and shock subs other than those provided by Contractor and listed in Section 7.	O	O
8a. Drilling Jars	O	O
9. Hole openers, reamers and stabilisers other than those provided by Contractor and listed in Section 7.	O	O
10. Kelly saver sub rubbers	C	C
11. Drill pipe wipers	C	C
12. Fishing tools other than those described in 2 above	O	O
13. Casing cutters & casing spears other than those provided by Contractor and listed in Section 7	O	O
14. Casing power tongs and hydraulic power unit	O	O
15. Replacement and/or repair of any in-hole equipment when lost or damaged while in-hole other than arising out of fair wear and tear.	C	O
16. Mud pump fluid and power end parts and consumables, two (2) different sizes of liners provided by Contractor initially.		
Initial set	C	C
Replacement sets	C	O
If Operator changes sizes, requiring new liners	C	O
17. Spares for choke manifold	C	C
18. Replacement of tubulars after inspection pursuant to Section 4 Clause 4.10 hereof	C	C

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19. Maintenance and spare parts for all Contractor's Equipment unless otherwise provided herein

C	C
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**H. WELL EQUIPMENT**

	<b>Provided By</b>	<b>To Account</b>
1. All tubular goods, including conductor pipe, casing and tubing	O	O
2. Casing shoes, collars, baskets, centralisers float equipment, baffles, scratchers and all other such in-hole consumables	O	O
3. Wellhead housings including casing hangers wear bushings and all such associated wellhead equipment.	O	O
4. Valves, Xmas Trees and necessary tools and equipment for installation	O	O
5. All running and pressure testing tools for wellhead equipment supplied by Operator	O	O
6. Replacement and repair and all consumables for items provided under 5 above	O	O
7. Wellhead ring joint gaskets, other than those required for installation between items of Contractor's Equipment	C	O
8. Permanent and Temporary Guide Bases	O	O

**I. SAFETY**

	<b>Provided By</b>	<b>To Account</b>
1. Radio equipment for communication with tugs, supply vessels and helicopters including portable sets	C	C
2. Permits, licences required for operation of Contractor's communication equipment	C	C
3. First aid, infirmary, equipment and medical attention on board the Drilling Unit for all persons while on board	C	C
3a Paramedic on board the Drilling Unit	C	O
3b Designated HSE Advisor on board (separate from paramedic)	C	C
4. Safety hats, safety boots and gloves for Contractor's Personnel and Subcontractor's personnel	C	C
5. Fire fighting equipment as required to comply with Contractor's and government regulations	C	O
6. Onshore medical services for Contractor's Personnel and Subcontractor's personnel	C	C
7. Refuelling system on the Drilling Unit for helicopter fuel as per	C	C

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CAP 437.

- 8. Helicopter refuelling inspection kits and filters
- 9. All necessary life saving and safety equipment to conform with international regulations and class requirements, country specific items to be at cost of Operator.

C	C
C	C or O

J. MISCELLANEOUS

- 1. Helicopter deck as per CAP 437
- 2. All hand and power tools required for normal maintenance of the Drilling Unit
- 3. Office on the Drilling Unit for Operator's Drilling Supervisors
- 4. Catering on board for all Contractor's Personnel and Subcontractor's personnel, plus 20 Operator's Personnel or Service Company Personnel
- 5. Catering for all Operator and Service Company Personnel in excess of above at cost
- 6. Not used.
- 7. Not used.
- 8. Reasonable on board entertainment, video, films.
- 9. Contractor's Personnel and Subcontractor's personnel
- 10. Additional personnel as requested by Operator employed by Contractor
- 11. Overtime for Contractor's Personnel authorised by Operator in writing
- 12. Survival Suits for use during helicopter flights for Contractor's Personnel and Subcontractors personnel
- 13. Waste disposal onshore
- 14. Cargo baskets and containers for equipment supplied by Operator
- 15. Mud laboratory test equipment for routine and testing and treatment. (See sub-clause 4.8.2 para 10).
- 16. Burners

Provided By	To Account
C	C
C	C
C	C
C	C
C	O
-	-
-	-
C	C
C	C
C	O
C	O
O	O
O	O
O	O
O	O
O	O

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*ATTACHMENT 2*

*TO*

*SECTION 4*

*REPORTING RESPONSIBILITIES OF THE CONTRACTOR*



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The following forms and reports shall be completed by the Contractor and handed over to Operator.

1. The Daily Tour Sheet
2. Morning Drilling Report
3. Drilling Parameters Record Charts (Drilling Recorder)
4. Pit Level Indicator Chart
5. Loading Notes and/or cargo manifests
6. Drilling Unit & Drilling Equipment Inspection
  - (a) Safety
  - (b) General
7. Periodic Testing of B.O.P. Equipment
8. Accident/Near Miss Report
9. Time Breakdown Report
10. Bed/Meal Tickets
11. Minutes of Safety Meetings

#### **G.1 THE DAILY TOUR SHEET**

The Daily Tour Sheet forms shall be provided by Contractor; the forms shall be basically similar to the I.A.D.C. form and shall be numbered.

The Daily Tour Sheet will be filled in by the Drillers, checked on the Drilling Unit by Contractor’s Toolpusher and by Operator’s Representative or, by the latter’s delegation, another Operator’s Supervisor on board. Both the Toolpusher and Operator’s Representative on the Drilling Unit will sign the Daily Tour Sheet.

#### **G.2 THE MORNING DRILLING REPORT**

This report shall be filled in every morning on the Drilling Unit by Operator’s Drilling Supervisor assisted by Contractor’s Toolpusher. It shall contain a summary of the previous day’s operations and shall be transmitted each morning at an agreed time to Operator’s onshore office.

#### **G.3 DRILLING PARAMETERS RECORD CHARTS (DRILLING RECORDER)**

The main drilling parameters i.e. weight on bit, pump pressure, pump strokes per minute, R.O.P., rotary torque, R.P.M., will be recorded on a single chart. In the event of any failure of the Drilling Parameters Recorder, Contractor will give immediate notice to Operator’s Representative of such failure. Operator’s Drilling Supervisor will be responsible for collecting the charts and sending them to Operator’s Office (Drilling Department).

#### **G.4 PIT LEVEL INDICATOR**

This recorder shall always be connected during all operations from spud to release.

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Contractor will give immediate notice to Operator’s Drilling Supervisor of any failure of the Pit Level Indicator. Operator’s Drilling Supervisor will be responsible for collecting the charts and sending them to Operator’s Office (Drilling Department).

MUD REPORT (Prepared by Operator)

Operator’s mud engineer will prepare a complete mud report for every Well; this mud report will consist of:

- 1 Daily Mud Report
- 2 End of Phase Mud Report
- 3 Mud Material used and transferred
- 4 Usage and Cost per Interval

**G.5      LOADING NOTES**

Contractor shall prepare Loading Notes in respect of such of Operator’s Materials as are consigned to Operator from the Drilling Unit, and shall check receipts of such Materials at the Drilling Unit against the Loading Note prepared by Operator or its Service Company and advise Operator’s Representative forthwith of any discrepancies therein.

**G.6      BED/MEAL TICKETS**

Any invoice sent to Operator in respect of beds or meals taken by Operator’s Personnel or the Service Company Personnel on the Drilling Unit shall be substantiated by daily vouchers clearly and properly completed by Contractor and countersigned by Operator’s Drilling Supervisor.

**G.7      DRILLING UNIT AND DRILLING EQUIPMENT INSPECTION**

Contractor shall have in place an inspection program acceptable to the Operator which addresses:

- (a) SAFETY SYSTEMS AND EQUIPMENT**
- (b) MARINE SYSTEMS**
- (c) DRILLING SYSTEMS**

**G.8      PERIODIC TESTING OF B.O.P. EQUIPMENT**

Testing of the Blowout Preventers and associated equipment shall take place as required by Well Construction Interface Document (“**WCID**”) which contains references to BOP testing requirements according to API53 and as mutually agreed between the Parties. Contractor’s Toolpusher and Driller shall sign the form after it has been completed by Operator’s Drilling Supervisor.

All incidents shall be promptly reported to Operator as defined in Section 2, Attachment D.

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**G.10 TIME BREAKDOWN REPORT**

This form shall be filled in by Operator’s Drilling Supervisor on the Drilling Unit. There will be one such form per month per Well.

The Time Breakdown Report shall be signed by Contractor’s Representative and Operator’s Drilling Supervisor at a convenient time following the end of each Well and/or each month. The time breakdown will be agreed by both parties before any invoice is presented to Operator.

**G.11 MINUTES OF SAFETY MEETINGS**

Minutes of Safety Meetings shall be supplied by Contractor to Operator for all Safety Meetings carried out on board the Drilling Unit. Contractor shall sign the minutes as being correct and accurate

**G.12 MAINTENANCE AND PERFORMANCE OF SAFETY CRITICAL EQUIPMENT**

Performance standards and acceptance criteria shall be in place for all safety critical equipment, and Contractor shall report any malfunction, disruption, and/or out of service condition which fails to meet acceptance criteria.

Contractor shall report any maintenance or testing that is overdue for safety critical equipment components along with a planned timeline for maintenance. If deemed necessary by either Operator or Contractor, Operator and Contractor will devise a plan to mitigate the risk of operating beyond the maintenance time limits until such maintenance/testing can be performed.

Contractor shall report any safety alarms that have been overridden or put out of service as well as a timeline and plan for when such equipment will be put in service. If deemed necessary by Operator or Contractor, Contractor and Operator will devise a plan to mitigate the risk of operating with the alarms overridden until such time that the alarms can be put back into service.

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*SECTION 5*

*RATES AND CHARGES*

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## PREAMBLES

### 5.1 GENERAL

The “Rates and Charges” shall be fully inclusive of all costs, expenses, overheads and profit arising out of the provision of the Drilling Services, Contractor’s Personnel and Contractor’s Equipment set out in Sections 1, 2, 3, 4, 6 and 7 hereof.

### 5.2 MOBILIZATION AND DEMOBILIZATION

- (a) Mobilization Charge shall be the amount payable for the mobilization of Contractor’s Equipment and Contractor’s Personnel to the Contract Area including but not by way of limitation all costs incurred by Contractor in:

- setting up a base in the Contract Area
- air passages,
- sea freight,
- lighterage,
- port dues,
- pilotage,
- wharfage,
- cranage,
- cargo handling,
- all and any other costs

until the Operations Commencement Date.

Mobilization is expected to commence on the Mobilization Commencement Date. After the Mobilization Commencement Date, the voyage will include a load out of additional equipment and personnel in Singapore en-route to Operator’s first Well location. Mobilization shall end on the Operations Commencement Date.

- (b) Demobilization Charge shall be the amount payable for the demobilization of Contractor’s Equipment and Contractor’s Personnel from the Contract Area including but not by way of limitation all costs incurred by Contractor in:

- closing down a base in the Contract Area,
- air passages,
- sea freight,
- lighterage,
- port dues,
- pilotage,
- wharfage,
- cranage,
- cargo handling,
- all and any other costs

As of the Completion Date or cessation of operations of the Final Well and the day and the hour the Drilling Unit is one nautical mile from the Final Well.

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Should Contractor have continuing work for another operator in the Contract Area, Operator shall pay Nil Rate and the Demobilization Charge shall not apply.

(c) Standing Down/Remobilization Charge

Contractor will be paid a reimbursement for all actual costs reasonably and properly incurred by Contractor in standing down at a port on the mainland of the Contract Area nominated by Operator, or, at Operator’s option, at the individual home bases of Contractor’s Personnel, and (as the case may be) in demobilizing from said port or home bases Contractor’s Personnel as a direct consequence of the Drilling Unit being shutdown by reason of a Force Majeure Event. Full supporting documents must accompany any invoice for this charge.

### 5.3 DAILY RATES

All rates per day described hereunder refer to a day of 24 hours. For parts of a day all such daily rates shall be prorated to the nearest one quarter hour.

- (a) The “**Operating Rate**” shall be the amount per day payable for the normal performance of the Drilling Unit Services. The Operating Rate shall apply for the Drilling Services from the Operations Commencement Date until the Drilling Unit’s last anchor is racked or transponder retrieved and the Drilling Unit has been released by Operator’s Representative from the first Location.

The Operating Rate shall not apply during provisioning, deprovisioning, stand-by, moving, or during any periods of shut down however caused.

In particular shutdown for revalidation of certification, compliance with regulations, or rejection of equipment shall be payable at Nil Rate.

Cessation of operations in order to slip, cut or change the drilling line or routine lubrication for routine maintenance purposes which cannot be safely and properly carried out without suspending the Drilling Unit Services shall not be deemed to be shut down for the purposes of this sub-clause.

The Operating Rate shall apply in a similar manner at each subsequent Location.

- (b) The “**Provisioning Rate / Deprovisioning Rate**” shall be the amount per day applicable when the Drilling Unit is moored at anchorage or alongside a suitable quay in Morocco or such other location designated by Operator and Operator’s Materials and Service Company Equipment are being loaded / unloaded.
- (c) The “**Standby Rate**” shall be the amount per day applicable when the Drilling Unit is fully manned and in a state of readiness to start or resume operations, during any period of delay or suspension of operations on account of
- adverse sea or weather conditions
  - waiting on Operator’s orders or on Operator’s Materials or on Service Companies
  - any Government, applicable regulators, Governmental agency, certifying authority, original equipment manufacturer or the Operator requires the BOP system to be maintained, tested and/or certified and such maintenance, testing and/or certification cannot be accomplished off of the critical path, the Contractor shall be paid at the Standby Rate during the time required to perform such activities

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- failure of equipment provided by Operator or Service Companies
- any act or omission of Operator or its Service Companies,

until such time as operations are resumed.

During such standby, Contractor may, subject to the agreement of Operator, carry out maintenance or repairs to Contractor's Equipment.

Standby Rate shall apply upon completion of a Well from release until the Drilling Unit is under way to the next Well.

Further, Contractor shall be permitted to accrue [\*\*\*] calendar days per Contract year (i.e. 365 days from the Operations Commencement Date) on a pro rata basis (i.e., [\*\*\*] hours at the end of each month) to conduct classification and other regulatory inspections of the Drilling Unit for which payment shall be made at the Standby Rate. This allotment of time allowed for Drilling Unit classification and other regulatory inspection shall be cumulative from Contract year to Contract year, if applicable, and [\*\*\*]: (i) if applicable, the timing for the conduct of the Drilling Unit classification and regulatory inspection shall be determined in consultation with Operator; (ii) once such an inspection has been conducted during this Contract, any excess of days accrued beyond the time required to complete the subject inspection shall be carried forward; (iii) if the time required to conduct the inspection exceeds the number of inspection days accrued, all such additional time utilized by Contractor shall be at Nil Rate; and (iv) following the completion of the Drilling Unit inspection, the Contractor shall again start to accrue inspection days hereunder. [\*\*\*]

- (d) The "**Moving Rate**" shall be the amount per day which shall apply from the time the Drilling Unit is under way on completion of the Well at the first Location until the Drilling Unit is in position at the next Location and similarly at subsequent Locations thereafter.
- (e) The "**Repair Rate**" shall be applicable during such times as there is a shutdown in operations for repairs to the Drilling Equipment in the manner set out below:
  - the rate obtaining at the time of such shutdown shall continue until operations are resumed or until the number of hours in the month shut down for repairs reaches [\*\*\*].
  - thereafter at NIL Rate.

The monthly allotment of time allowed for Repair Rate is not cumulative in the term of the Contract and may not be carried forward, rolled-over, or banked to any future month or year..

In the event that any such shutdown which is caused by or arises from the same incident shall continue from one month into the next, then for the purposes of this sub-clause the incident shall be treated as though it occurred in the same month.

In the event operations are shut down arising out of failure of or damage to the Drilling Unit or in order to carry out repairs to the Drilling Unit, then unless such failure, damage or repairs are due to or arise from the act or omission of Operator or its Service Companies (when the Operating Rate shall apply)



payment for all such shutdown until normal operations are resumed shall be at Repair Rate or NIL Rate. To the extent operations are shut down due to reasons beyond Contractor's reasonable control, inclusive of any time due to delays in customs clearance or visa approvals for effecting the repairs, and provided that the onboard inventory was maintained to the level specified in the inventory control system, as approved by Operator, then the Repair Rate shall apply for the period of time caused by the delays in customs clearance or visa approvals.

In respect of repairs to subsea equipment, the Repair Rate shall commence from the time that normal operations cease on account of defective subsea equipment until the time when normal operations are resumed. Normal operations shall be deemed to have been resumed when the same depth is reached as was reached prior to the instigation of such repairs as aforesaid. Waiting on weather to raise or run damaged or defective or repaired subsea equipment shall be at Standby Rate and not at Repair Rate.

- (f) The "**ReDrilling Unit Rate**", being the amount per day that shall apply during all time spent in re-drilling the hole or during remedial work on the hole due to circumstances set out in 6.4 of the Conditions of Contract.
- (g) The "**Fishing Rate**", being the amount per day applicable during all times when Fishing Operations (or sidetracking operations arising out of fish in the hole) are being carried out, starting from the time that normal drilling operations are interrupted on account of the need to begin Fishing Operations and continuing until such time as normal drilling operations are resumed. The Fishing Rate for all such Fishing Operations or sidetracking operations shall be either the Operating Rate plus all Contractor Group Taxes or, in the event [\*\*\*] then the rate shall be [\*\*\*]% of the Operating Rate plus all Contractor Group Taxes. In the event that sidetracking operations are being carried out at [\*\*\*]% of the Operating Rate plus all Contractor Group Taxes, normal drilling operations shall be deemed to have been resumed when the depth is reached at which the said fishing operations occurred in the first place. "Fishing Operations" shall be deemed to include all operations incurred in attempting to remove a fish from the Well or to push a fish to one side or to pick up a fish.
- (h) The "**Shutdown With Crew Rate**" being the amount per day quoted in Schedule 5.1 which shall apply during all such time as the Drilling Unit has been shutdown and the Drilling Unit Services have been suspended for any reason by Operator. The Shutdown With Crew Rate shall include Contractor's costs in maintaining Contractor's Personnel and of protective maintenance at the Drilling Unit.
- (i) The "**Shutdown Without Crew Rate**" being the amount per day of the Shutdown With Crew Rate less any savings effected by Contractor in reducing the numbers of Contractor's Personnel to skeleton strength for caretaker purposes only. Operator shall give Contractor 30 (thirty) days prior written notice of the application of the Shutdown Without Crew Rate, which shall be applicable for a period of not less than 30 (thirty) days.

In addition, Operator shall reimburse Contractor the standing downs/ remobilization charge.

- (j) The "**Force Majeure Event Rate**" being the amount per day of the Force Majeure Event period quoted in Schedule 5.1 which shall apply during all such time as the Drilling Unit has been shutdown and the Drilling Unit Services have

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been suspended for a Force Majeure Event. The Force Majeure Event Rate shall include Contractor’s costs in maintaining Contractor’s costs in maintaining Contractor’s Personnel and of protective maintenance at the Drilling Unit.

**5.4 CHARGE FOR MEALS AND ACCOMMODATION PROVIDED BY CONTRACTOR**

This charge shall be the amount per man-day applicable for meals and accommodation provided by Contractor to Operator’s Personnel and Service Companies’ personnel staying overnight on the Drilling Unit in excess of 20 (twenty) such personnel per day.

Where Operator’s Personnel and/or Service Companies’ personnel stay overnight on the Drilling Unit, the charge shall apply irrespective of whether the Operator’s Personnel and/or Service Companies’ personnel are in fact each provided with no meals per day or one or two or three meals per day, and the substantiation for the application of this charge shall be the daily “people on board” telex.

Where Operator’s Personnel and/or Service Companies’ personnel are not staying overnight on the Drilling Unit, but have meals on board, the Casual Meal Rate shall apply.

Operator’s Personnel and Service Companies’ personnel staying overnight on the Drilling Unit in excess of 50 (fifty) such personnel per day is with Contractor’s prior approval which will not be unreasonably withheld.

**5.5 Personnel**

- (a) Additional Personnel

Contractor shall be paid at the rates set out in Schedule 5.2 hereto for personnel additional to those listed in Section 6, Schedule 6.1 requested by Operator.

- (b) Courses

Operator shall reimburse Contractor for all costs and expenses in respect of travel, accommodation and subsistence reasonably and properly incurred by Contractor’s Personnel who attend Operator’s or Operator’s approved pressure control course and attain the said certification. Invoices for such reimbursement shall be supported by the requisite bills, tickets and other such substantiation as Operator may reasonably require.

- (c) Replacement

Pending replacement of personnel, Operator shall deduct from any monies due to Contractor at the appropriate rate per day quoted in Schedule 5.2 in excess of 7 (seven) days that such person shall not have been so replaced.

**5.6 ADDITIONAL EQUIPMENT**

Operator shall reimburse Contractor as follows for additional equipment provided after the Operations Commencement Date:

- (a) The capital costs of modifications to the Drilling Unit or additional equipment purchased on the instructions of Operator shall be reimbursed to Contractor in accordance with the provisions of sub-clause (b) hereunder.

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- (b) The agreed rental costs of listed equipment under the Schedule 5.3 hereto or if not listed the costs of materials or charges for hire of additional equipment or services required by Operator’s Representative at net invoice cost, after deduction of all discounts plus an addition of 5% for all items.
- (c) The costs of transport and shipping the additional equipment and materials to the Contract Area.
- (d) An agreed rental rate to be incorporated in the Schedule 5.3 hereto covering Contractor’s operating and maintenance costs for each item on such additional equipment included in Section 7 hereof.

Operator shall not reimburse Contractor for any further equipment or materials supplied and delivered by it which Operator’s Representative has not first requested in writing as aforesaid.

## 5.7 FIXED RATES

Unless specifically stated below or otherwise in the Contract, the rates and charges specified in Schedule 5.1, 5.2 and 5.3 of this Section 5 shall be fixed for the duration of the Contract. The rates and other payments shall be revised by the actual substantiated amount of change (increase or decrease) in Contractor’s costs from the Operations Commencement Date through the date of such change if one of the following described events occurs:

- (a) if a change in the work schedule or increase or decrease in Contractor’s Personnel is requested by Operator, is approved in advance by Operator, or is required by local Law;
- (b) if there is any change beyond the control of Contractor in Laws or any change in the enforcement of such Laws in the Country of Operations for a Contract Area which alters Contractor’s financial burden; or
- (c) Operator changes the Country of Operations.

Each such revision above shall become the new baseline and shall apply from the date on which the change in rates is made, and each of Operator and Contractor shall be required to provide reasonable documentation substantiating any such increase or decrease.

Notwithstanding the preceding paragraph, at the Operations Commencement Date and subsequent one (1) year anniversaries of the Operations Commencement Date, the dayrates payable under the Contract shall be subject to adjustment for cost increases incurred by Contractor, with the first calculated change occurring from the date of the Effective Date of the Contract thru to the Operations Commencement Date and subsequent calculations based on the one (1) year anniversary date of the last calculation. Contractor will deliver to Operator a baseline of the first calculated costs. Such cost increases must be documented by Contractor and delivered to Operator and shall include additional expenses incurred for payroll, payroll burden, insurance, travel costs, catering and shorebase overhead.

All costs and expenses reasonably incurred by Contractor and associated with a change of County of Operations (when requested by Operator), including, without limitation, all costs of transporting Contractor’s items to a new shorebase and/or any additional costs associated with the transportation of Contractor’s Personnel shall be for Operator’s account and reimbursed through a mutually agreed adjustment to the applicable day rates.

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**5.8 PAYMENT PROVISIONS [set forth under Clause 12 of Section 2 for the Conditions of Contract]**

Drilling Unit Covered in Conditions of Contract.

**5.9 [\*\*\*] BOP Operations**

(a) Definitions.

A “**BOP Event**” shall be defined as a failure or issue of a BOP which requires that BOP to be pulled back to the surface for repairs.

[\*\*\*]

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**SCHEDULE 5.1**

**RATES AND CHARGES**

**NAME OF DRILLING UNIT: ATWOOD ACHIEVER**

Ref. No.	DESCRIPTION OF RATE OR CHARGE	Amount US\$
<b>MOBILIZATION - DEMOBILIZATION</b>		
1.	MOBILIZATION - [***] percent ([***]%) of Operating Rate plus all Contractor Group Taxes, commencing on the Mobilization Commencement Date and ending on the Operations Commencement Date. Contractor to provide suitable support vessel(s) and fuel during Mobilization, at Operator’s expense. Support vessels for the loading of Contractor equipment in Singapore are for the expense of Contractor; and support vessels for loading of Operator equipment in Singapore are for the expense of Operator. Contractor will take commercially reasonable efforts to obtain the most cost effective vessels available for any such support work. No other rate or fee shall be owed during mobilization, and if mobilization is delayed as a result of a break down or repairs to the Drilling Unit during mobilization, the fee shall be Nil Rate during any such delay unless such delay is caused by (a) a Force Majeure Event in which case the Force Majeure Rate will apply, or, (b) actions of Operator Group, in which case the Mobilization Fee will continue to apply.	
2.	DEMOBILIZATION - Demobilization begins one (1) nautical mile from the Final Well. There is no Demobilization or Demobilization Fee if the Drilling Unit has immediate ongoing work in the country where Operator has just completed its Final Well; otherwise Operator is to provide suitable tow/transport vessel(s) and fuel, while paying [***] from the Final Well to, with respect to Morocco and Mauritania as the Country of Operations, Las Palmas, and with respect to Suriname as the Country of Operations, Trinidad, unless another location is identified in each Country Contract. Demobilization Fee is Nil Rate except as set forth in this Item.	
3.	STANDING DOWN/REMOBILIZATION CHARGE [***]	
<b>DAILY RATES</b>		
4.	OPERATING Suriname \$595,000 per day plus all Contractor Group Taxes Morocco \$595,000 per day plus all Contractor Group Taxes Mauritania \$595,000 per day plus all Contractor Group Taxes	

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- 5. PROVISIONING/ DEPROVISIONING  
[\*\*\*]% of Operating Rate plus all Contractor Group Taxes
  - 6. STANDBY  
[\*\*\*]% of Operating Rate plus all Contractor Group Taxes
  - 7. MOVING  
[\*\*\*]% of Operating Rate plus all Contractor Group Taxes
  - 8. REPAIR  
[\*\*\*]% of Operating Rate plus all Contractor Group Taxes
  - 9. REDRILLING UNIT  
[\*\*\*]% of Operating Rate plus all Contractor Group Taxes
  - 10. FISHING  
[\*\*\*]% of Operating Rate plus all Contractor Group Taxes
  - 11. SHUTDOWN WITH CREW  
[\*\*\*]% of Operating Rate plus all Contractor Group Taxes
  - 12. SHUTDOWN WITHOUT CREW  
[\*\*\*]% of Operating Rate plus all Contractor Group Taxes less any savings effected by Contractor in reducing the numbers of Contractor's Personnel to skeleton strength for caretaker purposes only.
  - 13. FORCE MAJEURE EVENT RATE  
[\*\*\*]% of Operating Rate plus all Contractor Group Taxes
  - 14. NIL RATE  
Zero (0%) rate plus all Contractor Group Taxes
- MISCELLANEOUS SERVICES FOR OPERATOR'S PERSONNEL**
- 14. Meals and accommodation provided by Contractor to Operator's personnel (in excess of (twenty) per day) \$[\*\*\*] USD per man per day per 20 plus all Contractor Group Taxes
  - 15. The Rate per day for Contractor's Personnel who have been removed and who have not been replaced by Contractor shall be a deduction of the amount of the rate in schedule 5.2 hereto for the person so removed until such time as the said person so removed has been replaced.

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**SCHEDULE 5.2**

**RATES FOR**

**CONTRACTOR'S PERSONNEL**

	<b>Occupational Classification</b>	[***]	<b>Number of Extra Personnel Provided by Client</b>	[***]
<b>A.</b>	<b><u>Drilling Personnel</u></b>			
	DP OIM**	[***]		[***]
	Drilling Superintendent	[***]		[***]
	Tool pusher**	[***]		[***]
	Main Drillers**	[***]		[***]
	Aux Driller	[***]		[***]
	Asst. Drillers	[***]		[***]
	Derrickman	[***]		[***]
	Pumphand	[***]		[***]
	Floorhand	[***]		[***]
	Roustabout	[***]		[***]
	Deck Supervisor	[***]		[***]
	Crane Operators	[***]		[***]
	DP RMS	[***]		[***]
	Mechanical Supervisor	[***]		[***]
	Mechanic II	[***]		[***]
	Mechanic I	[***]		[***]
	Subsea Supervisor	[***]		[***]
	Subsea Engineer II	[***]		[***]
	Motorman	[***]		[***]
	Electrical Supervisor	[***]		[***]
	Electronic Technician II	[***]		[***]
	Electronic Technician I	[***]		[***]

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	<b>Occupational Classification</b>	[***]	<b>Number of Extra Personnel Provided by Client</b>	[***]
	Electrician II	[***]		[***]
	Electrician I	[***]		[***]
	Welder	[***]		[***]
	Material Coord.	[***]		[***]
	Night Materials Coord.	[***]		[***]
	Radio Operator/Admin	[***]		[***]
	<b>SUBTOTAL</b>	[***]		
<b>B.</b>	<b><u>Marine Personnel</u></b>			
	Marine Chief Engineer	[***]		[***]
	1 <sup>st</sup> Asst. Engineer	[***]		[***]
	2 <sup>nd</sup> Asst. Engineer	[***]		[***]
	3 <sup>rd</sup> Asst. Engineer	[***]		[***]
	Master/Captain	[***]		[***]
	Chief Mate	[***]		[***]
	Bosun	[***]		[***]
	AB Seaman	[***]		[***]
	Ord Seaman	[***]		[***]
	Sr. DPO/2 <sup>nd</sup> Mate	[***]		[***]
	DPO/3 <sup>rd</sup> Mate	[***]		[***]
	<b>SUBTOTAL</b>	[***]		
<b>C.</b>	<b><u>Other</u></b>			
	Safety Training Coordinator (STC)	[***]		[***]
	Medic	[***]		[***]
	<b>SUBTOTAL</b>	[***]		
	<b>TOTAL</b>	[***]		



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\* Daily Rates including - salary, overhead burden, travel training costs, etc.

\*\* Key personnel are identified with a double asterisk

Note: Catering personnel are in addition to the above numbers

Above cost represents the cost of 1 man-day. If 1 position is required cost would be doubled as each position requires 1 man on and 1 man off. All rates are exclusive of Contractor Group Taxes which will be paid by Operator.

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**SCHEDULE 5.3**

**RATES FOR**

**ADDITIONAL EQUIPMENT / MISCELLANEOUS CHARGES**

ITEM	DESCRIPTION	RATE CHARGE
		US\$/day US\$

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***SECTION 6***

***CONTRACTOR'S PERSONNEL***

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**6.1 PROVISION OF CONTRACTOR’S PERSONNEL**

Contractor shall provide all Contractor’s Personnel listed in Schedule 6.1 hereof in the numbers and categories referred to therein by the Mobilization Commencement Date. Such numbers and categories shall not be exceeded or reduced (exclusive of additional personnel typically provided by Contractor) without prior written approval of Operator and any change in the numbers and/or categories so approved shall be recorded by amendment to Schedule 6.1. Should Operator require Contractor to provide additional personnel in excess of the full complement of Contractor’s Personnel or Subcontractor’s personnel listed in Schedules 6.1 and 6.2 then Contractor shall be reimbursed at the day rates included under Section 5. Contractor shall give Operator’s Representative the name and work history, education and training history including courses attended of such Contractor’s Personnel including any person proposed as a replacement.

**6.2 CONTRACTOR’S REPRESENTATIVE**

Contractor shall provide a competent and authorised Contractor Representative who shall be nominated in writing and be acceptable to Operator. Contractor’s Representative shall be available at all times and shall be authorised to receive on behalf of Contractor all directions and instructions in connection with the Drilling Services from Operator’s Representative.

**6.3 GENERAL**

Contractor shall adhere to all labour standards and practices applicable to the Contract Area.

All personnel provided by Contractor in accordance with sub-clause 6.1 above shall be deemed to be the servants of Contractor and Contractor shall be solely responsible for payment of salaries to such personnel.

Contractor shall meet all costs for Contractor’s Personnel, including but without limitation those associated with travel, accommodation, holiday and sickness throughout the duration of the Drilling Services.

Contractor’s Personnel shall be sufficiently conversant with the English language to enable Operator’s Representative to issue instructions and to receive written and verbal reports in the English language and so that operations hereunder are not hampered or endangered on account of language barriers. The radio and telex operator must be English speaking.

Contractor shall be responsible for all matters relating to rest periods for Contractor’s Personnel including inter alia the provision of a relief operating crew where the performance of the Drilling Services as required by Operator so dictates.

**6.4 TRAINING**

Contractor shall ensure that all Contractor’s Personnel proposed in compliance with the foregoing shall have satisfactorily completed courses in accordance with Contractor’s operations manual or CFST, or equivalent, and good oilfield practice along with the health, safety, environmental and security practices of Operator as set forth in Section 2, the Conditions of Contract.

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Contractor shall ensure that all Contractor’s Personnel shall receive annual anti-corruption training, including the FCPA and UK Bribery Act of 2010.

**6.5 MEDICAL CERTIFICATES**

Contractor shall make available to Operator’s Representative valid medical certificates stating that each person travelling to the Drilling Unit on behalf of Contractor is fit to do so in accordance with the UKOOA guidelines document “MEDICAL ASPECTS OF FITNESS FOR OFFSHORE WORK, A GUIDE FOR EXAMINING PHYSICIANS” or equivalent as agreed by Operator.

**6.6 CONTRACTOR’S PERSONNEL RECORDS**

Contractor shall keep medical records (including all required vaccinations), wages books and time sheets and full records of Contractor’s Personnel, all as required by Operator from time to time at its offices. At the Operator’s Representative request, Contractor shall produce the vaccination records, wages books and time sheets from time to time, Operator’s Representative being entitled at all times to inspect and take copies from all or any such documents. Operator recognizes that due to certain health regulations in various countries copies of the actual medical records may not be shared with Operator. Contractor shall also submit such returns as Operator may require relating to matters to be contained in such documents. Contractor shall keep details of its Contractor’s Personnel’s next of kin on the Drilling Unit and at its shore base in the event of an emergency and shall deliver such information to Operator in the event of an emergency.

**6.7 QUALIFICATIONS AND TRAINING OF CONTRACTOR’S PERSONNEL**

(a) General

All Contractor’s Personnel and Subcontractors’ personnel on board the Drilling unit shall have a valid completion certificate showing evidence of training in Helicopter Underwater Egress Training (“**HUET**”) by a training provider having a Modular Egress Training Simulator (“**METS**”). All costs incurred shall be to the account of Contractor.

(b) Drilling Personnel

Contractor shall prior to the Operations Commencement Date ensure that the following positions have satisfactorily completed a well control procedure training course and have obtained a Well Pressure Control Certificate from a training establishment approved by Operator or the relevant authorities in the Contract Area: Operations Manager, Operations Superintendent, senior subsea engineer, subsea engineer, OIM, toolpusher and tower pusher (subsea supervisor level) and driller and assistant driller (subsea driller level). Contractor shall at its cost further ensure that the Rig Staff shall attend refresher courses and maintain validity of certification for all Contractor Personnel throughout the term of the Contract and any extension thereto.

Whenever so requested by Operator, Contractor shall make available to Operator certificates evidencing such validity. Contractor shall arrange, at regular weekly intervals, for onsite training of its Contractor’s Personnel engaged in drilling operations on the Drilling Unit in matters relating to health, safety, accident prevention and environmental protection and, in addition, prior to the commencement of specialized operations such as drill stem and production testing and radioactive

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logging. Minutes of meetings held to fulfil such training requirements shall be made available to Operator and shall be posted on notice boards on the Drilling Unit.

Notwithstanding the foregoing provisions, Contractor’s Personnel shall, if required by Operator, attend Operator’s Pressure Control course, which such attendance shall be at Operator’s cost. If Contractor pays such training expenses directly, such expenses shall be invoiced at cost and receipts for such courses shall be delivered with the invoices. Such attendance if required shall take place at times and dates to be arranged between Contractor and Operator but in any case prior to the Operations Commencement Date.

(c) Marine and Installation Personnel

Contractor shall ensure that prior to the Operations Commencement Date and throughout the continuance of the Contract, the captain (or the equivalent person under a different title) are properly qualified for their respective positions and experienced in carrying out their duties on the Drilling Unit, subject to any minimum manning requirements as may be required under the class society document.

Contractor shall ensure that, (otherwise than in the event of total Drilling Unit evacuation on the instructions of Operator) there is always one person on board who is fully competent in respect of, and is designated responsible for, marine operations and calculation of deck loadings.

**6.8 EMPLOYMENT OF LOCAL PERSONNEL AND RATES OF PAY**

Contractor shall, if applicable to the Contract, employ local labour subject to availability and suitability of qualifications and experience. Each petroleum contract Operator has entered into with each country governmental entity contains requirements related to local content requirements for engaging local personnel in Operator’s petroleum operations in that specific country. In addition, there may be laws in each country requiring engagement of local personnel if performing work within that country. Contractor shall provide Operator with a list of personnel positions which require a high level of expertise which shall be attached as Schedule 6.3 to this Section 6. In the event local labor is in addition to or in place of one or more of those personnel positions on Schedule 6.3, any costs for such labor are for the account of Operator. Any other personnel position which is in addition to or in place of Contractor’s Personnel shall be at Contractor cost without pass through to Operator of any additional costs..

Contractor shall comply with all relevant governmental rules, regulations and instructions with respect to the employment of local labour.

**6.9 PASSPORTS AND VISAS**

Contractor shall ensure that when appropriate all Contractor’s Personnel are in possession of valid passports and shall obtain all visas and entry or other permits required to enable such Contractor’s Personnel to proceed to and work in the Contract Area and shall assist such Contractor’s Personnel in clearing immigration.

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**6.10 TRANSPORTATION**

Contractor shall make its own arrangements and meet all expenses for the transport of all the Contractor’s Personnel to and from and within the Contract Area other than between the Drilling Unit and Operator’s designated crew change location in the Contract Area.

**6.11 REMOVAL OF PERSONS PROVIDED BY CONTRACTOR AND SUBCONTRACTORS**

At the instruction of Operator in writing Contractor shall remove from duties hereunder or lawfully secure such removal of any of Contractor’s Personnel or Subcontractors’ Personnel who, in the opinion of Operator, is either:

- (a) incompetent or negligent in the performance of their duties; or
- (b) engaged in activities which are disruptive, contrary or detrimental to the interests of Operator; or
- (c) not conforming with the requirements described in Contractor’s Environmental, Health and Safety policies or other requirements of Operator or who persists in any conduct likely to be prejudicial to safety, health or the environment; or
- (d) not conforming to the requirements of Contractor’s safety management system or safety policies.

**6.12 REPLACEMENT OF PERSONS REMOVED BY THE CONTRACTOR**

The Contractor shall forthwith at its cost and expense replace any such person removed under the provisions of sub clause 6.11 hereof such replacement being a person qualified and capable of performing in an efficient manner the duties of any such person being replaced. This sub-clause shall also apply to Contractor’s Personnel leaving of their own volition.

**6.13 MANAGEMENT OF CHANGE FOR KEY CONTRACTOR’S PERSONNEL**

When Contractor changes key personnel, Contractor will, as soon as reasonably possible, provide Operator with a management of change plan. Such plans should include, (but not be limited to), candidates available, recommended candidate’s CV, and special training, mentoring or monitoring plans for the incoming candidate. Key personnel shall include supervisory or higher level personnel and specialized technical personnel including the following positions: Manager, OIM, Master/Capt., Rig Superintendent, Assistant Rig Superintendent, Tourpusher, DPO, Barge Marine Supervisor, Electrical Supervisor, Electrical Technician, Chief Mechanic, Driller, and Assistant Driller.

**6.14 RESTRICTION AS TO DRUGS AND ALCOHOLIC LIQUORS**

Contractor shall not except for bona fide medical purposes, sell, barter, give, dispense or otherwise dispose of any drugs or alcoholic liquors to any person at the Location, or permit or suffer any such sale, barter, gift, dispensation or other disposal to be made by any of Contractor’s Personnel.

**6.15 RECOGNIZED FESTIVALS AND RELIGIOUS AND OTHER CUSTOMS**

Contractor shall at all times and in all respects in all dealings with Contractor’s Personnel observe and pay full deference to all recognised festivals and religious or other customs.

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**6.16 DISORDERLY CONDUCT**

Contractor shall take all requisite precautions and use his best endeavours to prevent any riotous or unlawful behaviour by or amongst any of Contractor’s Personnel.

**6.17 BRIBERY**

Contractor shall not make or offer any bribe or any gift, gratuity, reward, commission or other inducement in money or of any description whatsoever to any person in the employment of Operator or Service Companies.

**6.18 REPATRIATION OF CONTRACTOR’S PERSONNEL**

Contractor shall, pending the repatriation of any of Contractor’s Personnel maintain such Contractor’s Personnel in a proper manner until such time as they shall have left the Contract Area and in default thereof Operator may maintain and repatriate such Contractor’s Personnel and recover the cost thereof from Contractor.

**6.19 SAFETY**

Contractor shall provide its personnel with protective clothing and safety equipment identifying them as Contractor’s Personnel to designs approved by Operator for offshore working conditions in the Contract Area.



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**SCHEDULE 6.1**

**INITIAL STAFFING  
OF CONTRACTOR'S PERSONNEL**

	<b>Occupational Classification</b>	[***]	<b>Number of Extra Personnel Provided by Client</b>	[***]
<b>A.</b>	<b><u>Drilling Personnel</u></b>			
	DP OIM**	[***]		[***]
	Drilling Superintendent	[***]		[***]
	Tool pusher**	[***]		[***]
	Main Drillers**	[***]		[***]
	Aux Driller	[***]		[***]
	Asst. Drillers	[***]		[***]
	Derrickman	[***]		[***]
	Pumphand	[***]		[***]
	Floorhand	[***]		[***]
	Roustabout	[***]		[***]
	Deck Supervisor	[***]		[***]
	Crane Operators	[***]		[***]
	DP RMS	[***]		[***]
	Mechanical Supervisor	[***]		[***]
	Mechanic II	[***]		[***]
	Mechanic I	[***]		[***]
	Subsea Supervisor	[***]		[***]
	Subsea Engineer II	[***]		[***]
	Motorman	[***]		[***]
	Electrical Supervisor	[***]		[***]
	Electronic Technician II	[***]		[***]
	Electronic Technician I	[***]		[***]
	Electrician II	[***]		[***]
	Electrician I	[***]		[***]
	Welder	[***]		[***]
	Material Coord.	[***]		[***]

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	<b>Occupational Classification</b>	[***]	<b>Number of Extra Personnel Provided by Client</b>	[***]
	Night Materials Coord.	[***]		[***]
	Radio Operator/Admin	[***]		[***]
	<b>SUBTOTAL</b>	[***]		
<b>B.</b>	<b><u>Marine Personnel</u></b>			
	Marine Chief Engineer	[***]		[***]
	1 <sup>st</sup> Asst. Engineer	[***]		[***]
	2 <sup>nd</sup> Asst. Engineer	[***]		[***]
	3 <sup>rd</sup> Asst. Engineer	[***]		[***]
	Master/Captain	[***]		[***]
	Chief Mate	[***]		[***]
	Bosun	[***]		[***]
	AB Seaman	[***]		[***]
	Ord Seaman	[***]		[***]
	Sr. DPO/2 <sup>nd</sup> Mate	[***]		[***]
	DPO/3 <sup>rd</sup> Mate	[***]		[***]
	<b>SUBTOTAL</b>	[***]		
<b>C.</b>	<b><u>Other</u></b>			
	Safety Training Coordinator (STC)	[***]		[***]
	Medic	[***]		[***]
	<b>SUBTOTAL</b>	[***]		
	<b>TOTAL</b>	[***]		

\* Daily Rates including - salary, overhead burden, travel training costs, etc.

\*\* Key personnel are identified with a double asterisk

Note: Catering personnel are in addition to the above numbers

Above cost represents the cost of 1 man-day. If 1 position is required, cost would be doubled as each position requires 1 man on and 1 man off.

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**SCHEDULE 6.2**

**LIST OF SUB-CONTRACTOR’S PERSONNEL**

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**SCHEDULE 6.3**

**LIST OF HIGHLY EXPERIENCED PERSONNEL**

	<b>Occupational Classification</b>	[***]	<b>Number of Extra Personnel Provided by Client</b>	[***]
<b>A.</b>	<b><u>Drilling Personnel</u></b>			
	DP OIM**	[***]		[***]
	Drilling Superintendent	[***]		[***]
	Tool pusher**	[***]		[***]
	Main Drillers**	[***]		[***]
	Aux Driller	[***]		[***]
	Asst. Drillers	[***]		[***]
	Derrickman	[***]		[***]
	Pumphand	[***]		[***]
	Floorhand	[***]		[***]
	Roustabout	[***]		[***]
	Deck Supervisor	[***]		[***]
	Crane Operators	[***]		[***]
	DP RMS	[***]		[***]
	Mechanical Supervisor	[***]		[***]
	Mechanic II	[***]		[***]
	Mechanic I	[***]		[***]
	Subsea Supervisor	[***]		[***]
	Subsea Engineer II	[***]		[***]
	Motorman	[***]		[***]
	Electrical Supervisor	[***]		[***]
	Electronic Technician II	[***]		[***]
	Electronic Technician I	[***]		[***]
	Electrician II	[***]		[***]
	Electrician I	[***]		[***]
	Welder	[***]		[***]
	Material Coord.	[***]		[***]
	Night Materials Coord.	[***]		[***]

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	<b>Occupational Classification</b>	[***]	<b>Number of Extra Personnel Provided by Client</b>	[***]
	Radio Operator/Admin	[***]		[***]
	<b>SUBTOTAL</b>	[***]		
<b>B.</b>	<b><u>Marine Personnel</u></b>			
	Marine Chief Engineer	[***]		[***]
	1 <sup>st</sup> Asst. Engineer	[***]		[***]
	2 <sup>nd</sup> Asst. Engineer	[***]		[***]
	3 <sup>rd</sup> Asst. Engineer	[***]		[***]
	Master/Captain	[***]		[***]
	Chief Mate	[***]		[***]
	Bosun	[***]		[***]
	AB Seaman	[***]		[***]
	Ord Seaman	[***]		[***]
	Sr. DPO/2 <sup>nd</sup> Mate	[***]		[***]
	DPO/3 <sup>rd</sup> Mate	[***]		[***]
	<b>SUBTOTAL</b>	[***]		
<b>C.</b>	<b><u>Other</u></b>			
	Safety Training Coordinator (STC)	[***]		[***]
	Medic	[***]		[***]
	<b>SUBTOTAL</b>	[***]		
	<b>TOTAL</b>	[***]		

\* Daily Rates including - salary, overhead burden, travel training costs, etc.

\*\* Key personnel are identified with a double asterisk

Note: Catering personnel are in addition to the above numbers

Above cost represents the cost of 1 man-day. If 1 position is required, cost would be doubled as each position requires 1 man on and 1 man off.

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## RIG & EQUIPMENT SPECIFICATIONS

### **Atwood Achiever Deepwater Drillship**

#### **Section 7 - IADC**

#### INTERNATIONAL ASSOCIATION of DRILLING CONTRACTORS

#### STANDARD FORMAT EQUIPMENT LIST DRILLSHIP UNITS

The Drilling Unit’s equipment list will be finalized at Commencement of Mobilization. However, the equipment list below is Contractor’s estimation of the equipment list based on the knowledge currently available.

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- A1 Main Dimensions / Technical Description
- A2 Storage Capacities
- A3 Propulsion / Thrusters
- A4 Operational Capabilities
- A5 Variable Loading
- A6 Environmental Limits
- A7 Mooring System
- A8 Marine Loading Hoses
- A9 Cranes, Hoists, and Materials Handling
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- A11 Auxiliary Equipment

#### SECTION B - GENERAL RIG SPECIFICATIONS

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- B2 Drawworks and Associated Equipment
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#### SECTION C POWER SUPPLY SYSTEMS

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- C2 Emergency Generator

#### SECTION D DRILLSTRING EQUIPMENT

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- D2 Handling Tools
- D3 Fishing Equipment

#### SECTION E - WELL CONTROL/SUBSEA EQUIPMENT

- E1 Lower Riser Diverter Assembly
- E2 Primary BOP Stack
- E3 Primary Lower Marine Riser Package
- E4 Secondary BOP Stack

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## RIG & EQUIPMENT SPECIFICATIONS

### Atwood Achiever Deepwater Drillship

- E5 Secondary Lower Marine Riser Package
- E6 Primary Marine Riser System
- E7 Secondary Marine Riser System
- E8 Diverter BOP
- E9 Subsea Support System
- E10 BOP Control System
- E11 Subsea Control System
- E12 Acoustic Emergency BOP Control System
- E13 Subsea Auxiliary Equipment
- E14 Choke Manifold
- E15 BOP Testing Equipment
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#### SECTION F - MUD SYSTEM/BULK SYSTEM

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- H1 Drilling Instrumentation at Driller's Position
- H2 Drilling Parameter Recorder
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- H6 Calibrated Pressure Gauges
- H7 Rig Communication System
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- I2 Burner Booms
- I3 Lines Required on Burner Booms
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#### SECTION J - WORKOVER TOOLS

- J1 NOT APPLICABLE

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- K2 Living Quarters

#### SECTION L - SAFETY EQUIPMENT

- L1 General Safety Equipment
- L2 Gas / Fire / Smoke Detection
- L3 Fire Fighting Equipment

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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

- L4 Breathing Apparatus
- L5 Emergency First Aid Equipment
- L6 Helideck Rescue Equipment
- L7 Rig Safety Store
- L8 Emergency Warning Alarms
- L9 Survival Equipment

SECTION M - POLLUTION PREVENTION EQUIPMENT

- M1 Sewage Treatment
- M2 Garbage Compaction
- M3 Garbage Disposal / Grinder

<p><b>A. UNIT SPECIFICATIONS</b></p> <p>Rig type:  Unit/Design/Shape:  Unit flag:  Port of Registry  Call Sign  Official Number  Unit classification:  IMO Certification:  Which code version:  Year of Construction:  Construction Yard:  Type of Positioning system</p> <p><b>A.1 MAIN DIMENSIONS &amp; TECHNICAL SPECS</b></p> <p>Deadweight (light ship): mt  Maximum Loaded Displacement mt  Maximum Variable Deck Load mt  Draft at loadline (deepest): m  Overall length of unit (including anchor racks): m  Length Between Perpendiculars m  Overall width of unit (including anchor racks): m  Forward deck dimensions m x m  Aft deck dimensions m x m  Main deck elevation above baseline: m  Number of main columns/diameter: no x m  Number of small columns/diameter: no x m  Drilling draft/related displacement: m/mt  Transit draft/related displacement: m/mt  Moon pool dimensions: m x m  Maximum opening through spider deck: m  Pontoon length: m  Pontoon breadth: m  Pontoon height: m</p>	<p>[***]</p>
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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Maximum Setback	mT
Rotary & Hook Load	lbs
Fuel Consumption (ave drilling)	m3/day
Accommodation for max. No. of personnel	
<b>A.2 Storage Capacities</b>	
Heavy Fuel	m3
Diesel Oil (MGO)Tank	m3
Lube Oil – <i>Engine</i>	m3
<i>Thruster</i>	m3
Drilling water	m3
Potable water	m3
Active liquid mud	m3
<b>A.2 Storage Capacities(cont)</b>	
Reserve liquid Mud	m <sup>3</sup>
Brine Storage Tank	m <sup>3</sup>
Crude Oil	m <sup>3</sup>
Base Oil Tank	m <sup>3</sup>
Bulk barite/bentonite	m <sup>3</sup>
Bulk cement	m <sup>3</sup>
Sacks storage	m <sup>2</sup>
Pipe racks area	m <sup>2</sup>
Load bearing capacity	kg/m2
Riser racks area:	m2
Load bearing capacity:	kg/m2
Miscellaneous storage area:	m2
Ballast system	m3
<b>A.3 THRUSTERS</b>	
<b>A.3.2 Thrusters</b>	
Quantity:	No.
Make / Type	
Fixed/azimuthing:	
Motors per thruster:	No.
Make / Type motors:	
Total HP per thrusters	kW
Propeller type (fixed/variable blade):	
Nozzled:	Yes/No
<b>A.3.3 Dynamic Positioning</b>	
Make	

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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

<p>Model</p> <p>Full DP or Mooring Assist:</p> <p>Position Reference:</p> <p><b>A.4 OPERATIONAL CAPABILITIES</b></p> <p>Maximum designed water depth capability: m</p> <p>Outfitted max. water depth capability: m</p> <p>Drilling depth capability (rated): m ft</p> <p>Transit speed towed (historical avg.): kts</p> <p>Transit speed self propelled kts</p> <p><b>A.5 VARIABLE LOADING (VL)</b></p> <p>Transit VL: mt</p> <p>Drilling VL: mt</p> <p>Survival VL: mt</p> <p><b>A.6 ENVIRONMENTAL LIMITS</b></p> <p>Drilling Mode</p> <p>Max. wave height m</p> <p>Max. wave period sec</p> <p>Max. surface current velocity m/sec</p> <p>Hull and Topsides Structure Max. Operating Condition</p> <p>Max. heave (double amplitude) m</p> <p>Max. pitch (double amplitude) degrees</p> <p>Max. roll (double amplitude) degrees</p> <p>Max. wind velocity (1 sustained min mean) m/sec</p> <p>Heading off Bow degrees</p> <p>Maxium Operating Condition DP</p> <p>Max. wave height m</p> <p>Max. wave period sec</p> <p>Max. wind velocity (sustained 1 min mean) m/sec</p> <p>Max. current velocity kts</p> <p><b>A.7 MOORING SYSTEM</b></p> <p><b>A.7.1 Anchor Winches</b></p> <p>Quantity No.</p> <p>Make/Model</p> <p>Type</p> <p><b>A.7.2 Mooring Winch</b></p> <p>Quantity No.</p> <p>Make/Model</p>	
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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Break Holding Capacity	tons	
<b>A.7.3 Anchors</b>		
<b>A.7.3.1 Anchors - Primary</b>		
Quantity:	No.	
Type:		
Weight:	mt	
<b>A.7.3.2 Anchors - Spare</b>		
<b>A.7.4 Anchor Chain</b>		
Quantity: (installed/spare):	No.	
Make/type:		
Diameter:	m m	
Shot length	m	
Shot Number	No.	
Total Length	m	
<b>A.7.5 Anchors Line Running &amp; Retrieval System</b>		
<b>A.7.5.1 Pennant Lines</b>		
<b>A.7.5.2 Anchor Buoys</b>		
<b>A.7.5.3 Smit Bracket</b>		
Location		
Quantity	No.	
Make:		
Type:		
<b>A.7.6 Emergency Towing Gear</b>		
Location		
Type		
Hook-up system		
Rating:		
<b>A.7.7 Capstan Mooring Winches</b>		
Quantity	No.	
Locations		
Type (electric/hydraulic/diesel)		
Capacity:	mT x m/min	
<b>A.7.8 Mooring Lines</b>		

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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Quantity	No.	
Locations (port/stbd/bow/stern):		
Type		
Size:	Dia x Length	
Minimum Breaking Load of wires	mT	
<b>A.7.9 Supplyboat Mooring Lines</b>		
<b>A.8 MARINE LOADING HOSES</b>		
Locations of loading manifolds		
<b>A.8.1 Potable Water Hose</b>		
Quantity:	No.	
Size:	in	
Make/type:		
Color coding:	Yes/No	
Make/type connection:		
<b>A.8.2 Drilling Water Hose</b>		
Quantity:	No.	
Size:	in	
Make/type:		
Color coding:	Yes/No	
Make/type connection:		
<b>A.8.3 Fuel Oil Hose</b>		
Quantity:	No.	
Size:	in	
Make/type:		
Color coding:	Yes/No	
Make/type connection:		
<b>A.8.4 Mud Hose</b>		
Quantity:	No.	
Size:	in	
Make/type:		
Color coding:	Yes/No	
Make/type connection:		
<b>A.8.5 Cement Hose</b>		
Quantity:	No.	
Size:	in	
Make/type:		
Color coding:	Yes/No	
Make/type connection:		

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RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

<b>A.8.6 Barite/Bentonite Hose</b>	
Quantity:	No.
Size:	in
Make/type:	
Color coding:	Yes/No
Make/type connection:	
<b>A.8 MARINE LOADING HOSES(cont)</b>	
<b>A.8.7 Base Oil Hose</b>	
Quantity:	No.
Size:	in
Make/type:	
Color coding:	Yes/No
Make/type connection:	
<b>A.8.8 Brine Hose</b>	
Quantity:	No.
Size:	in
Make/type:	
Color coding:	Yes/No
Make/type connection:	
<b>A.9 CRANES, HOISTS &amp; MATERIALS HANDLING</b>	
<b>A.9.1 Cranes, Revolving, Main</b>	
Quantity:	No.
Specification (API, etc):	
Make:	
Type:	
Location (stbd,port,aft, frwd):	
Boom length:	m
Hook reach below main deck	m
Load/radius	
Hoisting Speed	
Maximum Luffing Speed	
Maximum Load Slewing Speed	
Drum Capacity for Hoisting Height	
Hook load indicator automatically corrected for boom angle:	Yes/No
Alarm (audible, visual, both):	
Automatic brake:	Yes/No
Safety latch on hooks:	Yes/No
Crown saver (limit switch):	Yes/No
Boom illumination:	Yes/No

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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Boom CCTV Camera for Operator	Yes/No	
Riser & Pipe Handling Equipment	Yes/No	
Baskets for personnel transfer	No.	
<b>A.9.2 Helideck Crane</b>		
<b>A.9.3 Forklifts</b>		
Quantity:	No.	
Rated capacity:	mT	
Explosion proof:	Yes/No	
<b>A.9.4 Monorail Overhead Cranes</b>		
<b>A.9.5 BOP Handling System</b>		
Make		
Type		
Rated capacity:	mt	
Make		
Type		
Rated capacity:	mt	
Make		
Type		
Rated capacity:	mt	
Make		
Type		
Rated capacity:	mt	
<b>A.9.6 Air Hoists/Derrick Winches</b>		
<b>A.9.6.1 Rig Floor Winches (Non man-riding)</b>		
Quantity:	No.	
Make:		
Type:		
Rated capacity:	mt	
Wire diameter:	m m	
Wire Length	m	
Automatic brakes:	Yes/No	
Overload protection:	Yes/No	
Automatic spooling:	Yes/No	

RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

<b>A.9.6.1 Rig Floor Winches (Non man-riding)(cont)</b>	
Quantity:	No.
Make:	
Type:	
Rated capacity:	mt
Wire diameter:	m m
Wire Length	m
Automatic brakes:	Yes/No
Overload protection:	Yes/No
Automatic spooling:	Yes/No
Quantity:	No.
Make:	
Type:	
Rated capacity:	mt
Wire diameter:	m m
Wire Length	m
Automatic brakes:	Yes/No
Overload protection:	Yes/No
Automatic spooling:	Yes/No
<b>A.9.6.2 Monkey Board Work Winch</b>	
Quantity:	No.
Make:	
Type:	
Rated capacity:	lb
Wire diameter:	m m
Wire Length	m
Automatic brakes:	Yes/No
Overload protection:	Yes/No
<b>A.9.6.3 Rig Floor “Man-Riding” Winch</b>	
Quantity:	No.
Make:	
Type:	
Rated capacity:	kg
Wire diameter:	m m
Wire Length	m
Non-twist wire:	Yes/No
Automatic brakes:	Yes/No
Overload protection:	Yes/No
Automatic spooling:	Yes/No
Certified for man-riding:	Yes/No

RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

<b>A.9.6.4 Utility Winch (Moonpool)</b>	
Quantity:	No.
Make:	
Type:	
Rated capacity:	mt
Wire diameter:	m m
Wire Length	m
Automatic brakes:	Yes/No
Overload protection:	Yes/No
Automatic spooling:	Yes/No
<b>A.9.6.5 Moonpool “Man-Riding” Winch</b>	
Quantity:	No.
Make:	
Type:	
Rated capacity:	kg
Wire diameter:	m m
Wire Length:	m
Non-twist wire:	Yes/No
Automatic brakes:	Yes/No
Overload protection:	Yes/No
Automatic spooling:	Yes/No
<b>A.10 HELICOPTER LANDING DECK</b>	
Specification	
Location:	
Type	
Dimensions:	m x m
Perimeter safety net:	Yes/No
Load capacity:	mt
Designed for helicopter type:	
Tie down points:	Yes/No
Covered by foam fire system:	Yes/No
Helideck lighting to aviation specification as required	
by country of operation:	Yes/No
Helicopter Beacon Transmitter	Yes/No
<b>A.10.1 Helicopter Refueling System</b>	
Specification	
Fuel storage capacity:	Lt
Jettisonable:	Yes/No
Fuel transport containers:	qty
Volume (ea):	Lt



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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Covered by foam fire system:	Yes/No	
<b>A.11 AUXILIARY EQUIPMENT</b>		
<b>A.11.1 Water Distillation</b>		
Quantity:	No.	
Make/type:		
Capacity (each/total):	mT/day	
<b>A.11.2 Boilers</b>		
<b>A.11.3 Air Conditioning</b>		
Quantity:	No.	
Make/type:		
Capacity (total system):		
<b>A.11.4 Electric Welding Sets</b>		
Quantity:	No.	
Current capacity:	amp	
Quantity:	No.	
Current capacity:	amp	
<b>A.11.5 High Pressure Cleaner</b>		
Quantity:	No.	
Make/type:		
Electric/pneumatic/diesel:		
Max delivered pressure:	bar	
<b>B. GENERAL RIG SPECIFICATIONS</b>		
<b>B.1 DERRICK AND SUBSTRUCTURE</b>		
Make		
Type		
Rated for wind speed		
With full set back:	m/s	
With 0 set back:	m/s	
Free Internal Lifting Height:	m	
Distance between Well centers	m	
Dimensions of base:	m x m	
Water Table Dimensions Main Well:	m x m	
Water Table Dimensions Aux Well:	m x m	

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RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

<p><b>B.1 DERRICK AND SUBSTRUCTURE(cont)</b></p> <p>Gross nominal capacity: lbs  Maximum number of lines Main Well: No.  Maximum number of lines AUX Well: No.  Personnel Elevator Yes/No  Ladders with safety cages and rests: Yes/No  Platform for crown sheave access: Yes/No  Counter balance, system for rig tongs and pipe spinning tong: Yes/No  Lighting system explosion proof: Yes/No</p> <p><b>B.1.2 Racking Platform</b></p> <p>Make/type:</p> <p>5 7/8" to 6 5/8" Drillpipe  7" to 14" Casing  7" to 9 1/2" Drill collar</p> <p><b>B.1.3 Racking Arm</b></p> <p>Make  Type  Qty</p> <p><b>B.1.4 Maintenance Work Basket</b></p> <p>Make  Type  Adjustable from/to height above rotary: m</p> <p><b>B.1.5 Substructure</b></p> <p>Make/type:  Height (above main deck): m  Length: m  Width: m  Setback capacity: mT  Simultaneous setback + hookload capacity: mT  Clear height below R/table beams: m</p> <p><b>B.1.6 Weather Proofing</b></p> <p>Rig floor windbreaks height: m  Derrickman windbreaks height: m</p>	
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RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

<p><b>B.1.7 Derrick TV Camera System</b></p> <p>Camera located at:          Make/type:          Zoom/Pan/Tilt-function: Yes/No          Monitor located at:</p>	
<p><b>B.2 DRAWWORKS AND ASSOCIATED EQUIPMENT</b></p>	
<p><b>B.2.1 Drawworks Main Well</b></p>	
<p>Make          Type          Motors make/type:          Quantity: No.          Rated input power continuous: hp          Rated output power continuous: hp          Drum type:          Drum diameter: in          Drum Length in          Wire diameter: in          Maximum line pull 12 lines: mT          Maximum line pull 14 lines: mT          Maximum line pull 16 lines: mT          Spinning cathead type:          Breakout cathead type:          Crown block safety device make/type:          Independent fresh water cooling system for drawworks and electric brake: Yes/No</p>	
<p><b>B.2.1.1 Drawworks Aux Well</b></p>	
<p>Make          Type          Motors make/type:          Quantity: no.          Rated input power continuous: hp          Rated output power continuous: hp          Drum type:          Drum diameter: in          Drum Length in          Wire diameter: in          Maximum line pull 12 lines: mT          Maximum line pull 14 lines: mT          Spinning cathead type:          Breakout cathead type:          Crown block safety device make/type:          Independent fresh water cooling system for drawworks and electric brake: Yes/No</p>	

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RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

<p><b>B.2.2 Auxiliary Brake</b></p> <p><b>B.2.3 Sandline</b></p> <p><b>B.2.4 Wireline</b></p> <p>Make:</p> <p>Length capacity: m</p> <p>Line size/type: in</p> <p><b>B.2.5 Automatic Driller</b></p> <p>Make/type:</p> <p><b>B.3 DERRICK HOISTING EQUIPMENT</b></p> <p><b>B.3.1 Crown Block (CMC see data below)</b></p> <p><b>Main Well</b></p> <p>Make/type:</p> <p>Rated capacity: mT</p> <p>No. of sheaves:</p> <p>Sheaves diameter: in</p> <p>Sheave grooved for line size: in</p> <p><b>B.3.1 Crown Block (CMC see data below)</b></p> <p><b>Aux Well</b></p> <p>Make/type:</p> <p>Rated capacity: mT</p> <p>No. of sheaves:</p> <p>Sheaves diameter: in</p> <p>Sheave grooved for line size: in</p> <p><b>B.3.2 Travel Block Main Well</b></p> <p>Make</p> <p>Type</p> <p>Rated capacity: mT</p> <p>No. of sheaves: No.</p> <p>Sheaves diameter: in</p> <p>Sheave grooved for line size: in</p>	
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RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

<b>B.3.2 Travel Block Aux Well</b>	
Make	
Type	
Rated capacity:	mT
No. of sheaves:	
Sheaves diameter:	in
Sheave grooved for line size:	in
<b>B.3.3 Hook</b>	
<b>B.3.4 Swivel</b>	
Make	
Type	
Rated capacity:	mT
Test/working pressure:	psi
Gooseneck and washpipe minimum ID>= 76mm:	Yes/No
Left hand pin connection size:	in
Access fitting for wireline entry on top of gooseneck:	Yes/No
<b>B.3.5 Drilling Line Main Well</b>	
Diameter:	in
Type:	
Length (original):	m
Support frame for drum:	Yes/No
Drilling line drum power driven:	Yes/No
Spare reel drilling line:	Yes/No
Location (rig, shore, etc.):	
<b>B.3.5.1 Drilling Line Aux Well</b>	
Diameter:	in
Type:	
Length (original):	m
Support frame for drum:	Yes/No
Drilling line drum power driven:	Yes/No
Spare reel drilling line:	Yes/No
Location (rig, shore, etc.):	
<b>B.3.6 Anchor Dead Line Main Well</b>	
Make	
Type	
Weight sensor:	Yes/No

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RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

<p><b>B.3.6.1 Anchor Dead Line Aux Well</b></p> <p>Make Type Weight sensor: Yes/No</p>	
<p><b>B.3.7 Crown Mounted Motion Compensator</b></p> <p>Make Type Stroke: m Capacity - compensated: mT Capacity – Static : mT Capacity - locked: mT</p>	
<p><b>B.3.8 Block Guidance System</b></p> <p>Make Type</p>	
<p><b>B.3.9 Retraction System for Traveling Block</b></p> <p>Make Type</p>	
<p><b>B.4 ROTATING SYSTEM</b></p> <p>Make Type</p>	
<p><b>B.4.1 Rotary Table Main Well</b></p> <p>Make Type Maximum opening: in Rated capacity: mT Static load capacity: mT Rotating load capacity: mT @ rpm Two speed gearbox: Yes/No Emergency chain drive: Yes/No Driven by an independent motor: Yes/No     Motor type/make:     Maximum continuous torque: ft lbs Drip pan/mud collection system: Yes/No</p>	

RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

<p><b>B.4.1 Rotary Table Aux Well</b></p> <p>Make Type Maximum opening: in Rated capacity: mT Static load capacity: mT Rotating load capacity: mT @ rpm Two speed gearbox: Yes/No Emergency chain drive: Yes/No Driven by an independent motor: Yes/No     motor type/make:     Maximum continuous torque: ft lbs Drip pan/mud collection system: Yes/No</p> <p><b>B.4.2 Master Bushings</b></p> <p><b>B.4.3 Kelly Bushing</b></p> <p><b>B.4.4 Top Drive Main Well</b></p> <p>Make Model Type (electric/hydraulic): Rated capacity: mT Test/working pressure: psi/psi If driven by electric motor     Make/type:     Output power: hp     Maximum continuous torque: ft lbs Two speed gearbox: Yes/No Maximum rotary speed: rpm Remote operated kelly cock: Yes/No Cooling system type: Main shaft connection</p> <p><b>B.4.4.1 Top Drive Makeup/Breakout System</b></p> <p>Make: Model: Type: Max. breakout torque that can be applied by system: ft-lbs</p> <p><b>B.4.4.2 Top Drive AUX Well</b></p> <p>Make Model Type (electric/hydraulic): Rated capacity: mT Test/working pressure: psi/psi</p>	
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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

<p>If driven by electric motor                  Make/type:                  Output power: <span style="float: right;">hp</span>                  Maximum continuous torque: <span style="float: right;">ft lbs</span>                  Two speed gearbox: <span style="float: right;">Yes/No</span>                  Maximum rotary speed: <span style="float: right;">rpm</span>                  Remote operated kelly cock: <span style="float: right;">Yes/No</span>                  Cooling system type:                  Mainshaft connection:</p> <p><b>B.4.4.2 Top Drive Makeup/Breakout System</b>                  Make:                  Model:                  Type:                  Max. breakout torque that can be applied by system: <span style="float: right;">ft-lbs</span></p> <p><b>C. POWER SUPPLY SYSTEMS</b></p> <p><b>C.1 RIG POWER PLANT</b></p> <p><b>C.1.1 Diesel Engines</b></p> <p>Quantity: <span style="float: right;">No.</span>                  Make                  Type                  Maximum continuous power: <span style="float: right;">kW</span>                  At rotation speed of: <span style="float: right;">rpm</span>                  Equipped with spark arrestors: <span style="float: right;">Yes/No</span>                  Mufflers installed: <span style="float: right;">Yes/No</span></p> <p><b>C.1.2 DC – Generator</b></p> <p><b>C.1.3 AC – Generator</b></p> <p>Quantity: <span style="float: right;">No.</span>                  Make                  Type                  Continuous power: <span style="float: right;">kW</span>                  At rotation speed of: <span style="float: right;">rpm</span>                  Output volts: <span style="float: right;">volts</span></p> <p><b>C.1.4 SCR System/Distribution</b></p> <p>Type of Switchgear                  Make/type:                  Output volts: <span style="float: right;">volts</span></p> <p><b>C.1.5 Transformer System</b></p> <p>Quantity: <span style="float: right;">No.</span>                  Make/type:                  Continuous power (each): <span style="float: right;">KVA</span></p>	
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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Output volts:	volts	
Frequency:	Hz	
Quantity:	No.	
Make/type:		
Continuous power (each):	KVA	
Output volts:	volts	
Frequency:	Hz	
Quantity:	No.	
Make/type:		
Continuous power (each):	KVA	
Output volts:	volts	
Frequency:	Hz	
Quantity:	No.	
Make/type:		
Continuous power (each):	KVA	
Output volts:	volts	
Frequency:	Hz	
Quantity:	No.	
Make/type:		
Continuous power (each):	KVA	
Output volts:	volts	
Frequency:	Hz	
Quantity:	No.	
Make/type:		
Continuous power (each):	KVA	
Output volts:	volts	

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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Quantity:	No.
Make/Type:	
Continuous Power (each):	KVA
Output Volts:	volts
Frequency:	Hz
Quantity:	No.
Make/Type:	
Continuous Power (each):	KVA
Output Volts:	volts
Frequency:	Hz
Quantity:	No.
Make/Type:	
Continuous Power (each):	KVA
Output Volts:	volts
Frequency:	Hz
Quantity:	No.
Make/Type:	
Continuous Power (each):	KVA
Output Volts:	volts
Frequency:	Hz
<b>C.1.6 Emergency Shutdown</b>	
The emergency shutdown system (ESD) is an integrated system in conjunction with the Fire and Gas detection system.	
Make/type:	
ESD control matrix panels are located:	
<b>C.1.7 Auxiliary Power Supply</b>	
Power supply for a mud logging unit:	Yes/No
Power supply available	
Output volts:	volts
Frequency:	Hz
Current:	amps
Phase: single/three	
<b>C.1.8 Compressed Air System</b>	
Air Compressors - High Pressure Service/Control Air:	
Quantity:	No.
Make:	
Model:	
Rated capacity:	m3/hr
Working press:	Bar
Prime mover (electric/diesel):	
Continuous power:	kW

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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

<p>Air dryers:  Quantity: No.  Make/type:  Rated capacity: m3/hr</p> <p>Quantity: No.  Make/type:  Rated capacity: m3/hr</p> <p>Air Compressors – <i>Main Starting Air</i>  Quantity: No.  Make:  Model:  Rated capacity: m3/hr  Working press: bar  Prime mover (electric/diesel):  Continuous power: kW</p> <p>Air Compressors – <i>Emergency Generator Starting Air</i>  Quantity: No.  Make:  Model:  Rated capacity: m3/hr  Working press: bar  Prime mover (electric/diesel):  Continuous power: kW</p> <p><b>C.2 EMERGENCY GENERATOR</b></p> <p><b>C.2.1 Engine</b></p> <p>Quantity: No.  Make  Type  Maximum output: kW  At rotation speed: rpm  Starting methods (Automatic, Manual, etc.):</p> <p><b>C.2.2 AC – Generator</b></p> <p>Quantity: No.  Make/type:  Type  Maximum output: rpm  At rotation speed: kW  Output volts: volts</p> <p><b>D. DRILLSTRING EQUIPMENT</b></p> <p><b>D.1 TUBULARS</b></p> <p><b>D.1.1 Kellys</b></p>	
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RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

<b>D.1.2 Kelly Saver Subs</b>	
<b>D.1.3 Drill Pipe</b>	
<b>Drill pipe OD:</b>	in
Grade:	
Total length:	m
Range:	
Weight:	ppf
Internally plastic coated:	yes
Tool joint OD/ID:	in/in
Tool joint pin length (original):	in
Tapered shoulder tool joints(box/pins):	degree/degree
Connection type:	
Type of hardfacing:	
API classification:	
Thread protectors:	Yes/No
<b>Drill pipe OD:</b>	in
Grade:	
Total Length	m
Range:	
Weight:	ppf
Internally plastic coated	Yes/No
Tool joint OD/ID:	in/in
Tool joint pin length (original):	in
Tapered shoulder tool joints (box/pins):	degree/degree
Connection type:	
Type of hardfacing:	
API classification:	
Thread protectors:	Yes/No
<b>Drill pipe OD:</b>	in
Grade:	
Total length:	m
Range:	
Weight:	ppf
Internally plastic coated:	Yes/No
Tool joint OD/ID:	in/in
Tool joint pin length (original):	in
Tapered shoulder tool joints(box/pins):	degree/degree
Connection type:	
Type of hardfacing:	
API classification:	
Thread protectors:	Yes/No
<b>Drill pipe OD: (Landing String)</b>	in
Grade:	
Total length:	m
Range:	
Weight:	ppf

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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Internally plastic coated:	Yes/No	
Tool joint OD/ID:	in/in	
Tool joint pin length (original):	in	
Tapered shoulder tool joints(box/pins):	degree/degree	
Connection type:		
Type of hardfacing:		
API classification:		
Thread protectors:	Yes/No	
<b>5 7/8 " / 6 5/8" Pup Joints:</b>		
Tool joint OD/ID:	in/in	
Grade:		
Length:	m	
Quantity:	No.	
Length:	m	
Quantity:	No.	
Length:	m	
Quantity:	No.	
Length:	m	
Quantity:	No.	
Weight:	lbs/ft	
Connection type:		
Internally plastic coated:	Yes/No	
Thread protectors:	Yes/No	
<b>D.1.5 Drill Pipe Casing Protectors</b>		
<b>D.1.6 Heavy Weight Drill Pipe (e.g. Hevi-Wate)</b>		
Quantity:	No.	
Nominal size OD:	in	
Weight:	lbs/ft	
Range:		
Tool joint OD:	in	
Tool joint ID:	in	
Type of hardfacing:		
Internally plastic coated:	Yes/No	
Connection type:		
Thread protectors:	Yes/No	
Quantity:	No.	
Nominal size OD:	in	
Weight:	lbs/ft	
Range:		
Tool joint OD:	in	
Tool joint ID:	in	
Type of hardfacing:		
Internally plastic coated:	Yes/No	
Connection type:		
Thread protectors:	Yes/No	

RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

<b>D.1.7 Drill Collars</b>	
Quantity:	No.
OD body:	in
ID body:	in
Nominal length of each joint:	ft
Drill collar body (slick/spiral):	
Recess for “zip” elevator:	Yes/No
Recess for slips:	Yes/No
Stress relief pin groove:	Yes/No
Boreback on box:	Yes/No
Connection type:	
Quantity:	No.
OD body:	in
ID body:	in
Nominal length of each joint:	ft
Drill collar body (slick/spiral):	
Recess for “zip” elevator:	Yes/No
Recess for slips:	Yes/No
Stress relief pin groove:	Yes/No
Boreback on box:	Yes/No
Connection type:	
Quantity:	No.
OD body:	in
ID body:	in
Nominal length of each joint:	ft
Drill collar body (slick/spiral):	
Recess for “zip” elevator:	Yes/No
Recess for slips:	Yes/No
Stress relief pin groove:	Yes/No
Boreback on box:	Yes/No
Connection type:	
<b>D1.8 Short Drill Collars</b>	
Quantity:	No.
OD body:	in
ID body:	in
Nominal length of each joint:	ft
Stress relief pin groove:	Yes/No
Boreback on box:	Yes/No
Connection type:	
Drill collar body type:	(slick or spiral)
Quantity:	No.
OD body:	in
ID body:	in
Nominal length of each joint:	ft

RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Stress relief pin groove:	Yes/No	
Boreback on box:	Yes/No	
Connection type:		
Drill collar body type:	(slick or spiral)	
<b>D1.8 Short Drill Collars(cont)</b>		
Quantity:	No.	
OD body:	in	
ID body:	in	
Nominal length of each joint:	ft	
Stress relief pin groove:	Yes/No	
Boreback on box:	Yes/No	
Connection type:		
Drill collar body type:	(slick or spiral)	
Quantity:	No.	
OD body:	in	
ID body:	in	
Nominal length of each joint:	ft	
Stress relief pin groove:	Yes/No	
Boreback on box:	Yes/No	
Connection type:		
Drill collar body	(slick/spiral):	
Quantity:	No.	
OD body:	in	
ID body:	in	
Nominal length of each joint:	ft	
Stress relief pin groove:	Yes/No	
Boreback on box:	Yes/No	
Connection type:		
Drill collar body type:	(slick or spiral)	
Quantity:		
OD body:	in	
ID body:	in	
Nominal Length of each joint	ft	
Stress Relief pin groove:	Yes/No	
Boreback on box:		
Connection type:		
Drill collar body type:	(slick or spiral)	
<b>D.1.11 Stabilizers</b>		
<b>D.1.12 Roller Reamers</b>		
<b>D.1.13 Shock Absorbers (Damping Sub)</b>		
<b>D.1.14 Drilling Jars</b>		

RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

<b>D.1.15 Inside BOP Valve</b>	
Quantity:	No.
Make:	
OD:	in
Min. drill pipe ID required:	in
Connection type:	
Working pressure rating:	psi
Quantity:	No.
Make:	
OD:	in
Min. drill pipe ID required:	in
Connection type:	
Working pressure rating:	psi
Quantity:	No.
Make:	
OD:	in
Min. drill pipe ID required:	in
Connection type:	
Working pressure rating:	psi
Make:	
OD:	in
Min. drill pipe ID required:	in
Connection type:	
Working pressure rating:	psi
<b>D.1.17 Circulation Head</b>	
<b>D.1.18 IBOP Valves</b>	
Upper:	
Quantity:	No.
Make/type:	
Working pressure:	psi
Max. OD body:	in
Min. ID body:	in
Connection type:	
Lower:	
Quantity:	No.
Make/type:	
Working pressure:	psi
Max. OD body:	in
Min. ID body:	in
Connection type:	
<b>D.1.19 Circulation Subs</b>	
<b>D.1.20 Cup Type Testers</b>	



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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

<b>D.1.21 Plug Type Testers</b>	
Quantity:	No.
Make:	
Size test plugs:	in
Connection:	
Quantity:	No.
Make:	
Size test plugs:	in
Connection:	
<b>D.1.22 Drop-In Valves</b>	
Quantity:	No.
For nom. OD drillpipe:	in
Make/type:	
Max. OD of dart.:	in
Quantity:	No.
For nom. OD drillpipe:	in
Make/type:	
Max. OD of dart.:	in
<b>D.1.23 Bit Subs (Box-Box)</b>	
Quantity:	No.
OD size:	in
ID size:	in
Top connection:	
Bottom connection:	
Bored for float valve:	Yes/No
Float size:	in
Quantity:	No.
OD size:	in
ID size:	in
Top connection:	
Bottom connection:	
Bored for float valve:	
Float size:	
Quantity:	No.
OD size:	in
ID size:	in
Top connection:	
Bottom connection:	
Bored for float valve:	Yes/No
Float size:	in

RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Quantity:	No.
OD size:	in
ID size:	in
Top connection:	
Bottom connection:	
Bored for float valve:	Yes/No
Float size:	in
Quantity:	No.
OD size (max/min):	in/in
ID size:	in
Top connection size:	
Type (pin/box):	
Bottom connection size:	
Type (pin/box):	
Quantity:	No.
OD size (max/min):	in/in
ID size:	in
Top connection size:	
Type (pin/box):	
Bottom connection size:	
Type (pin/box):	
<b>D.1.24 Crossover Subs</b>	
Quantity:	No.
OD size (max/min):	in/in
ID size:	in
Top connection size:	
Type (pin/box):	
Bottom connection size:	
Type (pin/box):	
Quantity:	No.
OD size (max/min):	in/in
ID size:	in
Top connection size:	
Type (pin/box):	
Bottom connection size:	
Type (pin/box):	
Quantity:	No.
OD size (max/min):	in/in
ID size:	in
Top connection size:	
Type (pin/box):	
Bottom connection size:	

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**Atwood Achiever Deepwater Drillship**

Type (Pin/Box):	
<b>D.1.24 Crossover Subs (cont)</b>	
Quantity:	No.
OD size (max/min):	in/in
ID size:	in
Top connection size:	
Type (pin/box):	
Bottom connection size:	
Type (pin/box):	
Quantity:	No.
OD size (max/min):	in/in
ID size:	in
Top connection size:	
Type (pin/box):	
Bottom connection size:	
Type (pin/box):	
Quantity:	No.
OD size (max/min):	in/in
ID size:	in
Top connection size:	
Type (pin/box):	
Bottom connection size:	
Type (pin/box):	
Quantity:	No.
OD size (max/min):	in/in
ID size:	in
Top connection size:	
Type (pin/box):	
Bottom connection size:	
Type (pin/box):	
Quantity:	No.
OD size (max/min):	in/in
ID size:	in
Top connection size:	
Type (pin/box):	
Bottom connection size:	
Type (pin/box):	
Quantity:	No.
OD size (max/min):	in/in
ID size:	in
Top connection size:	
Type (pin/box):	
Bottom connection size:	
Type (pin/box):	
<b>D.1.26 Hole Openers</b>	
<b>D.1.27 Under reamer</b>	
<b>D.2 HANDLING TOOLS</b>	
<b>D.2.1 Drill Pipe Elevators</b>	

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**Atwood Achiever Deepwater Drillship**

<p>Make Size: in Quantity: No. Model: Rated capacity: sT</p> <p>Make: Size: in Quantity: No. Model: Rated capacity: sT</p> <p>Make: Size: in Quantity: No. Model: Rated capacity: sT</p> <p><b>D.2.2 Drill Collar Elevators</b> Make: Model: Size: in Quantity: No. Rated capacity: sT</p> <p><b>D.2.3 Tubing Elevators</b></p> <p><b>D.2.4 Drill Pipe Hand Slips</b> Size: in Quantity: No. Make/type:</p> <p>Size: in Quantity: No. Make/type:</p> <p>Size: in Quantity: No Make/type:</p> <p><b>D.2.5 Semi-Automatic DP Slips</b> Size range (largest/smallest): in/in Quantity: No. Make/type:</p>	
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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

<p><b>D.2.6 Drill Collar Slips</b></p> <p>Size: in  Quantity: No.  Make/type:</p> <p>Size: in  Quantity: No.  Make/type:</p> <p>Size: in  Quantity: No.  Make/type:</p> <p><b>D.2.7 Drill Collar Safety Clamps</b></p> <p>Quantity: No.  Range: in-in</p> <p>Quantity: No.  Range: in-in</p> <p>Quantity: No.  Range: in-in</p> <p><b>D.2.8 Tubing Slips</b></p> <p><b>D.2.9 Tubing Spider</b></p> <p><b>D.2.10 Drill Collar Lifting Subs</b></p> <p>Quantity: No.  For OD DC: in  Connection Type:  Description:</p> <p>Quantity: No.  For OD DC: in  Connection Type:  Description:</p> <p>Quantity: No.  For OD DC: in  Connection Type:  Description:</p>	
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**Atwood Achiever Deepwater Drillship**

<b>D.2.11 DC Lifting Plugs</b>	
Quantity:	No.
For OD DC:	in
Connection Type:	
Quantity:	No.
For OD DC:	in
Connection Type:	
Quantity:	No.
For OD DC:	in
Connection type:	
<b>D.2.12 Bit Breakers</b>	
<b>D.2.13 Elevator Links</b>	
Quantity of sets:	No.
Make/type:	
Size:	in
Length:	in
Rated capacity:	sT
Quantity of sets:	No.
Make/type:	
Size:	in
Length:	in
Rated capacity:	sT
Quantity of sets:	No.
Make/type:	
Size:	in
Length:	in
Rated capacity:	sT
Quantity of sets:	No.
Make/type:	
Size:	in
Length:	in
Rated capacity:	sT

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Atwood Achiever Deepwater Drillship

<p><b>D.2.16 Mud Bucket</b>          Make:          Size: in</p> <p><b>D.2.17 Hydraulic Make-Up/Breakout Machine          (e.g. Ez Torque)</b>          Make/type:          Maximum line pull: kN          Quantity: No.</p> <p><b>D.2.18 Rotary Rig Tongs</b>          Quantity (sets): No.          Make/type:          Size range (max OD/min OD): in/in          Torque rating: ft-lbs</p> <p><b>D.2.19 Tubing Tongs (manual)</b></p> <p><b>D.2.20 Tubing Tong Power</b></p> <p><b>D.2.21 Iron Roughneck</b>          Make/type:          Quant: No.          Size range (max OD/min OD): in/in          Max output torque: ft-lbs</p> <p><b>D.3 FISHING EQUIPMENT</b></p> <p><b>D.3.1 Overshots</b>          Quantity: No.          Make/type:          Overshot OD: in          To catch size: in          Overshot guide OD: in          Extension sub length: in          Lipped guide (oversize, regular): in          Grapples (spiral, basket, both):          Pack offs: Yes/No          Top sub connection type: in</p> <p>Quantity: No.          Make/type:          Overshot OD: in          To catch size: in          Overshot guide OD: in          Extension sub length: in          Lipped guide (oversize, regular): in          Grapples (spiral, basket, both):          Pack offs: Yes/No          Top sub connection type:</p>	
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Atwood Achiever Deepwater Drillship

<p><b>D.3.2 Hydraulic Fishing Jar</b></p> <p><b>D.3.3 Jar Intensifier</b></p> <p><b>D.3.4 Surface Jar</b></p> <p><b>D.3.5 Fishing Bumper subs</b></p> <p>Quantity: No.</p> <p>Make/type:</p> <p>OD body: in</p> <p>Min. ID: in</p> <p>Stroke: in</p> <p>Connection type:</p> <p>Quantity: No.</p> <p>Make/type:</p> <p>OD body: in</p> <p>Min. ID: in</p> <p>Stroke: in</p> <p>Connection type:</p> <p><b>D.3.6 Safety Joints</b></p> <p>Quantity: No.</p> <p>Make/type:</p> <p>OD body: in</p> <p>Min. ID: in</p> <p>Stroke: in</p> <p>Connection type:</p> <p><b>D.3.7 Junk Baskets (Reverse Circulation)</b></p> <p>Quantity: No.</p> <p>Make/type:</p> <p>For hole size: in</p> <p>OD body: in</p> <p>Connection type:</p> <p>Inside magnet available: Yes/No</p> <p>Mill shoes type AB: Yes/No</p> <p>Quantity: No.</p> <p>Make/type:</p> <p>For hole size: in</p> <p>OD body: in</p> <p>Connection type:</p> <p>Inside magnet available: Yes/No</p> <p>Mill shoes type B A: Yes/No</p> <p>Quantity: No.</p> <p>Make/type:</p> <p>For hole size: in</p> <p>OD body: in</p>	
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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Connection type:	
Inside magnet available:	Yes/No
Mill shoes type AB:	Yes/No
<b>D.3.8 Junk Subs</b>	
Quantity:	No.
Make/type:	
For hole size:	in
OD body:	in
Connection type:	
Quantity:	No.
Make/type:	
For hole size:	in
OD body:	in
Connection type:	
Quantity:	No.
Make/type:	
For hole size:	in
OD body:	in
Connection type:	
<b>D.3.9 Flat Bottom Junk Mill</b>	
Quantity:	No.
Make/type:	
OD flat mill:	in
Connection type:	
Quantity:	No.
Make/type:	
OD flat mill:	in
Connection type:	
<b>D.3.10 Magnet Fishing Tools</b>	
<b>D.3.11 Taper Taps</b>	
<b>D.3.12 Die Collars</b>	
Quantity:	No.
Make/type:	
OD (Max/Min):	in/in
OD body:	in
Length:	ft
Connection type:	

RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

<p><b>E. WELL CONTROL / SUBSEA EQUIPMENT</b></p> <p><b>E.1 LOWER RISER DIVERTER ASSEMBLY (used when drilling for the surface casing)</b></p> <p><b>E.1.1 Hydraulic Connector</b></p> <p>Size: in          Make:          Surface controlled hydraulic operated dump valves: No.          Size: in</p> <p><b>E.1.2 Flex Joint/Riser Adapter</b></p> <p>Flex joint:          Make/type:          Size: in          Max. deflection: degrees</p> <p>Riser adapter:          Make/type:          Size: in</p> <p><b>E.2 PRIMARY BOP STACK (from bottom to top)</b></p> <p>Stack complete with              -guide frame: Yes/No              -pick up attachment Yes/No              -transport base: Yes/No</p> <p>Size (bore): in          Working pressure: psi          H2S service: Yes/No</p> <p><b>E.2.1 Alternate Hydraulic Connector</b></p> <p>Alternate connector available: Yes/No          Connector make/model:          Adapter available: Yes/No</p> <p><b>E.2.2 Hydraulic Wellhead Connector</b></p> <p>Size: in          Make/type:          Working pressure: psi          Hot tap for underwater intervention: Yes/No          Spare Connector same type: Yes/No</p>	
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Atwood Achiever Deepwater Drillship

<b>E.2.3 Ram Type Preventers</b>	
Preventers:	
Quantity:	No.
Bore size:	in
Working pressure:	psi
Make:	
Model:	
Type (single/double/Triple):	
Ram locks:	Yes/No
Preventers connection type - top:	
Preventers connection type - bottom:	
Side outlets:	Yes/No
Size:	in
Connection type:	
Preventers:	
Quantity:	No.
Bore size:	in
Working pressure:	psi
Make:	
Model:	
Type (single/double/Triple):	
Ram locks:	Yes/No
Preventers connection type - top:	
Preventers connection type - bottom:	
Side outlets:	Yes/No
Size:	in
Connection type:	
Blind/shear rams	
Quantity:	No.
Quantity:	No.
Pipe rams:	
Quantity:	No.
Size:	in
Quantity:	No.
Size:	in
Quantity:	No.
Variable rams	
Quantity:	No.
Size range (min/max):	in/in
Quantity:	No.
Size range (min/max):	in/in
<b>E.2.4 Stack Configuration (Blind/Shear/Pipe/Variable)</b>	
Top rams:	Ram #1
Top rams:	Ram #2

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Top rams:	Ram #3	
Spacing between middle lower and lower rams:		in
Lower rams:	Ram#4	
Lower rams:	Ram#5	
Lower rams:	Ram#6	
SSTV RAMS	RAM# 7	
Position of side outlets - kill:		
Upper:		
Lower:		
Position of side outlets-choke:		
Upper:		
Upper Middle		
Lower Middle		
Lower:		
<b>E.2.5 Annular Type Preventer On Stack</b>		
Size:		in
Working pressure:		psi
Make/type:		
<b>E.2.6 Mandrel</b>		
Make/type:		
Size:		in
<b>E.2.7 Fail-Safe Hydraulic Valves (Kill and Choke)</b>		
Quantity on each side outlet:		No.
Size (ID):		in
Make/type:		
Working pressure:		psi
Solid block:		Yes/No
<b>E.2.8 Subsea Accumulators (see also E.7.1.-surface Accumulator Unit)</b>		
Quantity:		No.
Useful capacity per accumulator(w/o precharge):		U.S.gal
Bottle working pressure:		psi
<b>E.2.9 Hydraulic Control Pod/Receptacles</b>		
Quantity:		No.
Redundancy:		%
Color coded:		Yes/No
Remote regulation of operating pressure for functions requiring lower operating pressure:		Yes/No

RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Spare control pod:	Yes/No	
<b>E.3 PRIMARY LOWER MARINE RISER PACKAGE (From Bottom to Top)</b>		
<b>E.3.1 Hydraulic Connector</b>		
Make/type:		
Size:		in
Working pressure:		psi
Hot tap for underwater intervention:		Yes/No
Spare connector same type:		Yes/No
<b>E.3.2 Annular Type Preventer (LMRP)</b>		
Size:		in
Working pressure:		psi
Make/type:		
<b>E.3.3 Flex Joint</b>		
Make/type:		
Size:		in
Max deflection:		degrees
<b>E.3.4 Riser Adapter</b>		
Make/type:		
Size:		in
<b>E.3.5 Connection Lines to Riser</b>		
Type (rigid loops, co-flex, etc.):		
<b>E.4 SECONDARY BOP STACK (from bottom to top)</b>		
<b>E.4.1 Alternate Hydraulic Connector</b>		
<b>E.4.2 Hydraulic Wellhead Connector</b>		
<b>E.4.3 Ram Type Preventers</b>		

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Atwood Achiever Deepwater Drillship

<p><b>E.4.4 Stack Configuration (Blind/Shear/Pipe/Variable)</b></p> <p><b>E.4.5 Annular Type Preventer On Stack</b></p> <p><b>E.4.6 Mandrel</b></p> <p><b>E.4.7 Fail-Safe Hydraulic Valves (Kill and Choke)</b></p> <p><b>E.4.8 Subsea Accumulators (see E.7.1 - Surface Accumulator Unit)</b></p> <p><b>E.4.9 Hydraulic Control Pod/Receptacles</b></p> <p><b>E.5 SECONDARY LOWER MARINE RISER PACKAGE (From Bottom to Top)</b></p> <p><b>E.5.1 Hydraulic Connector</b></p> <p><b>E.5.2 Annular Type Preventer (LMRP)</b></p> <p><b>E.6 PRIMARY MARINE RISER SYSTEM</b></p> <p><b>E.6.1 Marine Riser Joints</b></p> <p>Make/model:</p> <p>OD: in</p> <p>ID: in</p> <p>Wall thickness: in</p> <p>Average length of each joint: ft</p> <p>Weight of one complete joint (in air): lbs</p> <p>Quantity: No.</p> <p>Pipe material: grade</p>	
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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Minimum yield strength:	mT	
Type riser connectors:		
Bolts	No.	
Make/model:		
OD:	in	
ID:	in	
Wall thickness:	in	
Average length of each joint:	ft	
Weight of one complete joint (in air):	lbs	
Quantity:	No.	
Pipe material:	grade	
Minimum yield strength:	lb	
Type riser connectors:		
Bolts:	No.	
Make/model:		
OD:	in	
ID:	in	
Wall thickness:	in	
Average length of each joint:	ft	
Weight of one complete joint (in air):	lbs	
Quantity:	No.	
Pipe material:	grade	
Minimum yield strength:	lb	
Type riser connectors:		
Bolts:	No.	
Make/model:		
OD:	in	
ID:	in	
Wall thickness:	in	
Average length of each joint:	ft	
Weight of one complete joint (in air):	lbs	
Quantity:	No.	
Pipe material:	grade	
Minimum yield strength:	lb	
Type riser connectors:		
Bolts:	No.	
<b>E.6.1 Marine Riser Joints (cont)</b>		
Make/model:		
OD:	in	
ID:	in	
Wall thickness:	in	
Average length of each joint:	ft	
Weight of one complete joint (in air):	lbs	
Quantity:	No.	
Pipe material:	grade	
Minimum yield strength:	lb	
Type riser connectors:		

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Bolts:	No.	
Make/model:		
OD:	in	
ID:	in	
Wall thickness:	in	
Average length of each joint:	ft	
Weight of one complete joint (in air):	lbs	
Quantity:	No.	
Pipe material:	grade	
Minimum yield strength:	lb	
Type riser connectors:		
Bolts:	No.	
Riser Pups Length:	ft	
length	No.	
<b>E.6.2 Telescopic Joint</b>		
Make/type:		
Size (ID):	in	
Stroke:	ft	
Double seals:	Yes/No	
Spare telescoping joint:	Yes/No	
Location:		
Rotating support ring for riser tensioners:	type	
Connection points:	No.	
<b>E.6.3 Kill/Choke Lines</b>		
Quantity:	No.	
Outside diameter:	in	
Inside diameter:	in	
Working pressure:	psi	
<b>E.6.4 Booster Lines (if Fitted)</b>		
Quantity:	No.	
Outside diameter:	in	
Inside diameter:	in	
Working pressure:	psi	
<b>E.6.5 Hydraulic Supply Lines</b>		
Quantity:	No.	
Outside diameter:	in	
Inside diameter:	in	
Working pressure:	psi	



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<p><b>E.6.6 Upper Ball (Flex) Joint</b></p> <p>Make/type:</p> <p>Size: in</p> <p>Maximum deflection: deg.</p> <p>Spare upper ball (flex) joint: Yes/No</p> <p><b>E.6.7 Buoyancy Modules (if Fitted)</b></p> <p>Make:</p> <p>Quantity of buoyed riser joints: No.</p> <p>Riser tub OD: in</p> <p>OD of buoyed riser joints: in</p> <p>Length of each module: ft</p> <p>Volume of each module: ft<sup>3</sup></p> <p>Buoyancy in seawater: sT/ft<sup>3</sup></p> <p>Rated water depth: ft</p> <p><b>E.6.8 Marine Riser Spider</b></p> <p>Make/type:</p> <p><b>E.6.9 Marine Riser Gimbal</b></p> <p>Make/type:</p> <p><b>E.6.10 Riser Handling Tools</b></p> <p>Quantity: No.</p> <p>Type:</p> <p><b>E.6.11 Riser Test Tools</b></p> <p>Quantity: No.</p> <p>Type:</p> <p><b>E.6.12 Instrumented Riser Joint</b></p> <p><b>E.6.13 Riser Flood/Fill System</b></p> <p><b>E.7 SECONDARY MARINE RISER SYSTEM</b></p>	
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**Atwood Achiever Deepwater Drillship**

<p><b>E.7.1 Marine Riser Joints</b></p> <p><b>E.7.2 Telescopic Joint</b></p> <p><b>E.7.3 Kill/Choke Lines</b></p> <p><b>E.7.4 Booster Lines (if Fitted)</b></p> <p><b>E.7.5 Hydraulic Supply Lines</b></p> <p><b>E.7.6 Upper Ball (Flex) Joint</b></p> <p><b>E.7.7 Buoyancy Modules (if Fitted)</b></p> <p><b>E.7.8 Marine Riser Spider</b></p> <p><b>E.7.10 Riser Handling Tools</b></p> <p><b>E.7.11 Riser Test Tools</b></p> <p><b>E.7.12 Instrumented Riser Joint</b></p> <p><b>E.7.13 Riser Flood/Fill System</b></p> <p><b>E.8 DIVERTER BOP (For installation in fixed bell nipple)</b></p> <p>Make/type:  Max. bore size: in  Working pressure: psi  Number of Diverter outlets: No.  Outlet OD: in  Insert packer size ID: in</p> <p><b>E.8.1 Diverter Flowlines</b></p>	
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**Atwood Achiever Deepwater Drillship**

Quantity:	No.	
OD of Flowlines:	in	
Running from Diverter to:		
Valve types:		
Size:	in	
Working pressure:	psi	
Control valve type (air/hydraulic/etc.):		
Remote: controlled from:	location	
	location	
	location	
<b>E.8.2 Diverter Control Panels</b>		
Driller's panel		
Make:		
Model:		
Location:		
Locking/unlocking control:	Yes/No	
Remote panel		
Make:		
Model:		
Location:		
Locking/unlocking control:	Yes/No	
<b>E.9 SUBSEA SUPPORT SYSTEM</b>		
<b>E.9.1 Riser Tensioners</b>		
Quantity:	No.	
Make/type:		
Capacity each Tensioner:	sT	
Maximum stroke:	ft	
Wireline size:	in	
Line travel:	ft	
Independent air compressors:	Yes/No	
Independent air drying unit:	Yes/No	
<b>E.9.2 Guideline System</b>		
<b>E.9.3 Remote Guideline Replacement Tool</b>		
<b>E.9.4 Remote Guideline Cutting Tool</b>		
<b>E.9.5 Pod Line Tensioners</b>		
<b>E.9.6 Tensioner/Compensator Air Pressure Vessels</b>		
Quantity:	No.	
Total capacity:	ft3	

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Rated working pressure:	psi
Pressure relief valve installed:	Yes/No
<b>E.10 BOP CONTROL SYSTEM</b>	
<b>E.10.1 Surface Accumulator Unit (see also E.2.8 &amp; E.4.8 - Subsea Accumulators)</b>	
Make:	
Model/type:	
Location:	
Soluble oil reservoir capacity:	U.S.gal
Oil/water mix capacity:	U.S.gal/min
Glycol reservoir capacity:	U.S. gal
No. of bottles installed:	No.
Useful capacity per accumulator (w/o pre-charge):	U.S.gal
Bottle working pressure:	psi
Control manifold model:	
Regulator type:	
Total useful accumulator volume (surface and stack) equals all Preventer opening and closing volumes:	Yes/No
<b>E.10.2 Accumulator Hydraulic Pumps</b>	
Electric driven	
Quantity:	No.
Make:	
Model:	
Each driven by motor of power:	hp
<b>E.10.3 Driller's Control Panel</b>	
Graphic control panel at Driller's position showing Subsea functions with controls for the following functions of the BOP stack	
Marine riser connector:	Yes/No
All annular type Bop's:	Yes/No
All ram type Bop's:	Yes/No
Lock for ram type Bop's :	Yes/No
Wellhead and LMRP connector:	Yes/No
Inner and outer kill and choke line valves:	Yes/No
Low acc. pressure warning:	Yes/No
Low reservoir level warning:	Yes/No
Low rig air pressure warning:	Yes/No
Pressure regulator for annular:	Yes/No
Flowmeter:	Yes/No

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Quantity of pressure gauges:	No.	
<b>E.10.3 Driller’s Control Panel(cont)</b>		
Emergency push button for automatic riser disconnection:		
Other control functions:	Yes/No	
Control panel make:		
Control panel model:		
<b>E.10.4 Remote Control Panels</b>		
Ability to operate main closing unit valves directly:	Yes/No	
Quantity:	No.	
Make/model:		
Locations:		
Operating system routing(Direct/via Primary ControlPanel)		
<b>E.11 SUBSEA CONTROL SYSTEM</b>		
<b>E.11.1 Hose Reels</b>		
Quantity:	No.	
Location:		
Make/type:		
Maximum storage length each:	ft	
Drive motor type:		
<b>E.11.2 Pod Hose</b>		
<b>E.11.3 Pod Hose Manifold</b>		
<b>E.11.4 Surface Test Pod</b>	Yes/No	
<b>E.12 ACOUSTIC EMERGENCY BOP CONTROL SYSTEM</b>		
Make/model:		
Type (fixed/portable):		
Number of functions:	No.	
Type of functions:		
LMRP connector release:	Yes/No	
Shear ram close:	Yes/No	
Other:		
<b>E.13 SUBSEA AUXILIARY EQUIPMENT</b>		
<b>E.13.1 Hole Position Indicator</b>		
Make/type		
Quantity of monitors:	No.	
Monitor location:		

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Monitor location:		
Recorder:	Yes/No	
<b>E.13.2 Riser Angle Indicator</b>		
Make/type		
Quantity of monitors:	No.	
Monitor location:		
Recorder:	Yes/No	
<b>E.13.3 Slope Indicators</b>		
Make:		
Quantity:	No.	
Provision for installation on		
BOP:	Yes/No	
Pin connector:	Yes/No	
Other:		
<b>E.13.4 Underwater TV System</b>		
<b>E.13.5 ROV System</b>		
<b>E.14 CHOKE MANIFOLD</b>		
<b>E.14.1 Choke Manifold (for instrumentation, see H.3)</b>		
Make:		
Minimum ID:	in	
Maximum WP:	psi	
H2S service:	Yes/No	
Quantity of fixed chokes:	No.	
Make:		
Model:		
Size (ID):	in	
Quantity of adjustable chokes:	No.	
Make:		
Model:		
Size (ID):	in	
<b>E.14.1 Choke Manifold(cont)</b>		
Quantity of power chokes:	No.	
Make:		
Model:		
Size (ID):	in	
Power choke remote control panel:	Yes/No	
Make:		

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Location Glycol injection:	Yes/No	
<b>E.14.2 Flexible Choke &amp; Kill Lines (Connecting riser to drilling unit)</b>		
Quantity:	No.	
Make/type:		
ID:	in	
Working pressure:	psi	
<b>E.15 BOP TESTING EQUIPMENT</b>		
<b>E.15.1 Hydraulic BOP Test Pump</b>		
Make:		
Model/type:		
Pressure rating:	psi	
Chart recorder:	Yes/No	
<b>E.15.2 BOP Test Stump</b>		
Quantity:	No.	
Test pressure:	psi	
Type:		
Size:	in	
Connected to deck (welded/bolted):		
<b>E.16 WELLHEAD RUNNING / RETRIEVING/ TESTING TOOLS (RT/RRT/TT)</b>		
Wellhead make:		
Wellhead type:		
Wellhead size:	in	
Pressure rating:	psi	
<b>E.16.1 RT's for Casing Installation</b>		
Mechanical RT- casing housing sizes:	in	
Hydraulic RT - casing housing sizes:	in	
Pack Off RT - casing housing sizes:	in	
Hanger RT - casing hanger sizes:	in	
Hanger RT - casing type:		
Seal Assembly RT - casing sizes:	in	
<b>E.16.2 RRT's for Casing Installation</b>		

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Seal Assembly RRT - casing sizes:	in
Wear Bushing RRT - casing sizes:	in
Seat Protector RRT - casing sizes:	in
<b>E.16.3 Miscellaneous Tools</b>	
<b>E.16.4 Booster Lines (if Fitted)</b>	
<b>E.16.5 Mini Hose Bundle For Use With Hydraulic Running Tools</b>	Yes/No
<b>E.16.6 Emergency BOP Recovery System</b>	
Emergency BOP recovery system:	Yes/No
Make/type:	
<b>F. MUD SYSTEM/BULK SYSTEM</b>	
<b>F.1 HIGH PRESSURE MUD SYSTEM</b>	
System working pressure:	psi
System test pressure:	psi
Built to which design pressure:	
<b>F.1.1 Mud Pumps</b>	
Quantity:	No.
Make:	
Model:	
Type: (Triplex/Duplex):	
Liner sizes available:	in
Mud pump drive motors:	No.
Motor type:	
Continuous power rating per motor:	hp
Fluid end:	type
Maximum working pressure:	psi
Test pressure:	psi
Pump stroke counter:	type
Supercharging pump:	type
Driven by motor of power:	hp
Discharge/Suction line ID:	in/in
M.P. Pulsation Dampener:	type
Reset Relief Valve:	type
Working flowrate per pump at 90% mechanical efficiency and 100% volumetric efficiency:	max spm:
	in
Pump speed (100% of max.):	spm
Pump pressure:	psi
Working flowrate @ 100% volumetric output:	U.S. gal/min



RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

<b>F.1.2 Transfer Pumps/Mixing Pumps</b>		
Transfer pumps		
Quantity:	No.	
Make:		
Model:		
Type:		
Drive motor type:		
Power output:	hp	
Mixing pumps		
Quantity:	No.	
Make:		
Model:		
Type:		
Drive motor type:		
Power output:	hp	
<b>F.1.3 Booster Pump</b>		
Quantity:	No.	
Make/type:		
Pumping capacity (each):	U.S.gals/min	
Drive motor type:		
Power output:	hp	
<b>F.1.4 Standpipe Manifold</b>		
Quantity of standpipes:	No.	
Standpipes ID:	in	
H-Type Standpipe manifold:	Yes/No	
Kill line outlet:	Yes/No	
Fill-up/bleed-off line outlet:	Yes/No	
Outlets (total):	No.	
ID:	in	
Type connections:		
Dimensions OD x ID:	in x in	
Design standard:		
<b>F. 1.5 Rotary Hoses</b>		
Quantity:	No.	
Make/type:		
ID x length:	in x ft	5" x 114
Snubbing lines:	Yes/No	Yes
<b>F.1.6 Cementing Hose</b>		
Quantity:	No.	2

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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Type (coflexip, etc):		TechFlow
Length:	ft	75ft
ID:	in	3"
Working pressure:	psi	15,000 psi
<b>F.1.7 Chiksan Steel Hoses</b>		
Integral on-screwed:	Yes/No	
Make/type		
ID:	in	
Section length:	ft	
Quantity:	No.	
Section length:	ft	
Quantity:	No.	
ID:	in	
Section length:	ft	
Quantity:	No.	
Section length:	ft	
Quantity:	No.	
Sweep swivels, make/type:		
Nom. size ID:	in	
Quantity:		
Nom. size ID:	in	
Quantity:		
Suitable for H2S service:	Yes/No	
<b>F.2 LOW PRESSURE MUD SYSTEM</b>		
<b>F.2.1 Mud Tanks</b>		
Active Pits		
Quantity:	No.	
Total capacity:	m3	
Height:	m	
Capacity, tank No. 1 Oil Based Mud:	m3	
Type (active/reserve):		
Capacity, tank No. 2 Oil Based Mud:	m3	
Type (active/reserve):		
Capacity, tank No. 3 Oil Based Mud:	m3	
Type (active/reserve):		
Capacity, tank No. 4 Oil Based Mud:	m3	
Type (active/reserve):		
Capacity, tank No. 5 Oil Based Mud:	m3	
Type (active/reserve):		
Capacity, tank No. 6 Oil Based Mud:	m3	
Type (active/reserve):		
Capacity, tank No. 1 Water Based Mud:	m3	
Type (active/reserve):		
Capacity, tank No. 2 Water Based Mud:	m3	
Type (active/reserve):		

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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Capacity, tank No. 3 Water Based Mud: Type (active/reserve):	m3	m3= 660.4 m3
Capacity, tank No. 4 Water Based Mud: Type (active/reserve):	m3 Act	bb1= 660.4 bbl
Capacity, tank No. 1 Brine: Type (active/reserve):	m3	bb1= 660.4 bbl
Capacity, tank No. 2 Brine: Type (active/reserve):	m3	bb1= 660.4 bbl
<b>F.2.1 Mud Tanks(cont)</b>		
Reserve Pits		
Quantity:	No.	No.
Total capacity:	m3	bb1
Height:	m	ft
Capacity, tank No. 1 Oil Based Mud: Type (active/reserve):	m3	bb1
Capacity, tank No. 2 Oil Based Mud: Type (active/reserve):	m3	bb1
Capacity, tank No. 3 Oil Based Mud: Type (active/reserve):	m3	bb1
Capacity, tank No. 4 Oil Based Mud: Type (active/reserve):	m3	bb1
Capacity, tank No. 5 Oil Based Mud: Type (active/reserve):	m3	bb1
Capacity, tank No. 1 Water Based Mud: Type (active/reserve):	m3	bb1
Capacity, tank No. 2 Water Based Mud: Type (active/reserve):	m3	bb1
Capacity, tank No. 3 Water Based Mud: Type (active/reserve):	m3	bb1
Capacity, tank No. 4 Water Based Mud: Type (active/reserve):	m3	bb1
Capacity degasser tank:	m3	
Capacity Desilter Tank		
Capacity Desander Tank	m3	
Capacity Return Tank	m3	
Mud agitator in each tank	Yes/No	
Mud guns in Active and Reserve tank:	Yes/No	

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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

<b>F.2.2 Settling Tank</b>	
Quantity:	No.
Total capacity:	m3
<b>F.2.3 Pill/Slug Tank</b>	
Quantity:	No.
Capacity: #1	m3
Capacity # 2	m3
Mud agitator:	Yes/No
Mud guns:	Yes/No
<b>F.2.4 Trip Tank</b>	
Quantity:	No.
Capacity: #1	m3
Capacity # 2	m3
Level indicator:	Yes/No
Electric pump make:	
Number	
Model/type:	
Motor output:	hp
Facility for casing fill-up:	Yes/No
Alarm and strip chart recorder (see H.1.11):	Yes/No
<b>F.2.5 Stripping Tank</b>	
Capacity:	m3
Equalizing facility with trip tank:	Yes/No
Transfer pump:	Yes/No
<b>F.2.6 Chemical Mixing Tank</b>	
<b>F.2.7 Shale Shakers</b>	
Primary:	
Quantity:	No.
Make/model:	
Type:	
Driven by No. of electric motors:	No.
Design flowrate (total):	bb/min
Cascading	
Quantity:	No.
Make/model:	
Type:	

RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Driven by No. of electric motors:	No.
Design flowrate (total):	bbl/min
<b>F.2.8 Desander</b>	
<b>F.2.9 Desilter</b>	
Quantity:	No.
Make/model:	
Type:	
Number of cones x size:	No. x in
Centrifugal pump type:	
Centrifugal pump size:	in x in
Driven by electric motor of:	hp
Is pump dedicated to Desander:	Yes/No
Max. flowrate:	bbl/min
<b>F.2.10 Mud Cleaner</b>	
Quantity:	No.
Make/model:	
Type:	
Number of cones x size:	No. x in
Centrifugal pump type:	
Centrifugal pump size:	in x in
Driven by electric motor of:	hp
Is pump dedicated to Desander:	Yes/No
Max. flowrate:	gpm
<b>F.2.11 Mud/Gas Separator (Poor Boy)</b>	
Make/type:	
Gas discharge line ID:	in
Gas discharge location, primary:	
Can discharge be tied into burner system:	Yes/No
Mud seal height:	ft
Calculated gas throughput:	mmscf
<b>F.2.12 Degasser</b>	
Quantity:	
Make/type:	
Centrifugal pump type:	
Centrifugal pump size:	in x in
Driven by electric motor of power:	hp
Discharge line running to:	
Vacuum pump make:	
Type:	
Quantity:	No.

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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

<p>Make/model:          Driven by electric motor of: kW          Located in tanks (see F.2.1 for tank numbers):</p> <p>Quantity: No.          Make/model:          Driven by electric motor of: kW          Located in tanks (see F.2.1 for tank numbers):</p> <p>Quantity:          Make/model:          Driven by electric motor of:          Located in tanks (see F.2.1 for tank numbers): Quantity: No.</p>	
<p><b>F.2.14 Mud Centrifuge</b>          Quantity: No. No.          Make/model: No.          Motor Type:  <b>Feep Pump</b>          Quantity: No.          Make/Model:          Motor Type:</p> <p><b>F.2.15 Mud Hopper</b>          Quantity: No. No.          Make/model:Quantity:          Feed pump make/model:Make/model:          Driven by motor of power: Hp hpFeed pump make/model:</p> <p><b>F.2.16 Mud Laboratory and Facilities</b>          Separate room: Yes/No          Equipped with Separate room: Yes/No              Mud balance: Yes/No              Marsh funnel: Yes/No              Filtration kit: Yes/No              Sand content kit: Yes/No              Stopwatch: Yes/No              Stopwatch: Yes/No</p> <p><b>F.3 BULK SYSTEM</b>  <b>F.3.1 Barite/Bentonite Silos</b>          Quantity: No. No.          Capacity of each silo max/ operating: m3          Locations:Capacity of each silo: lt          Type weight loadcell:          Manufacturer:Type weight loadcell:</p>	

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RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

Pressure rating:	psi	psi	Manufacturer:
Relief valve(s) installed	Yes/No:	Pressure rating	psi
Rock-catcher(s) installed			
Dust-collectors installed			
<b>F.3.2 Cement Silos</b>			
Quantity:	No.	No.	
Capacity of each max/ operating:	m <sup>3</sup>	Quantity:	No.
Locations:Capacity of each silo:	lt		
Type weight loadcell:			
Manufacturer:	Type weight loadcell:		
Pressure rating:	psi	psi	Manufacturer:
Relief valve(s) installed:	Yes/No	Pressure rating:	psi
Rock-catcher(s) installed	Yes/No		
Relief valve(s) installed:			
Dust-collectors installed	Rock-catcher(s) installed		
Separate mud/cement loading facilitates:	Yes/No	Dust-collectors installed	
Discharge line for cement independent from barite/bentonite discharge line:	Yes/No	Separate mud/cement loading facilitates:	Yes/No
<b>F.3.3 Cement Day Tanks</b>			
Quantity:	No.	No.	
Capacity of each silo:	m <sup>3</sup>	Quantity:	No.
Locations:	lt		
Type weight loadcell:			
Manufacturer:			
Pressure rating:	psi	psi	Manufacturer:
Relief valve(s) installed:	Yes/No	Pressure rating:	psi
Relief valve(s) installed:	Yes/No		
<b>F.3.4 Surge Tank for Barite/Bentonite</b>			
Quantity:	No.	No.	
Capacity of each silo:	m <sup>3</sup>	Quantity:	No.
Locations:Capacity of each silo:	lt		
Type weight loadcell:Locations:			
Manufacturer:	Type weight loadcell:		
Pressure rating:	psi	psi	Manufacturer:
Relief valve(s) installed:	Yes/No	Pressure rating:	psi
<b>F.3.5 Surge Tank for Cement</b>			
Quantity:	No.	No.	
Capacity of each tank:	lt	Quantity:	No.
Type weight loadcell:Capacity of each tank:	lt		
Manufacturer:	Type weight loadcell:		
Pressure rating:	psi	Manufacturer:	
Relief valve(s) installed:	Yes/No	Pressure rating:	psi

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RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

<p><b>F.3.6 Bulk Transfer System</b>  <b>(see also C.1.8 - Compressed Air Systems)</b>  Independent air system for the silos &amp; surge tanks consisting of a high-volume low-\\ pressure compressor &amp; air dryer: Yes/No</p> <p>Air reduced from main air supply through pressure regulators: Yes/No</p> <p>Separate volume tank &amp; drier: Yes/No</p> <p><b>G. CASING/CEMENTING EQUIPMENT</b>  <b>G.1 CASING EQUIPMENT</b></p> <p><b>G.1.2 Clamp-On Type Casing Thread Protectors</b></p> <p><b>G.1.3 Side Door Casing Elevator</b></p> <p><b>G.1.4 Single Joint Casing Elevators</b></p> <p>Quantity: No.  For OD casing: in  Make/type</p> <p><b>G.1.5 Slip Type Elevator/Spiders</b></p> <p>Quantity: No.  Make/type:  Capacity: st  W/slips for OD casing sizes: in</p> <p><b>G.1.6 Casing Slips</b></p> <p><b>G.1.7 Casing Bowls</b></p> <p>Quantity: No.  Make/type:  For OD casing (max/min): in/in</p> <p><b>G.1.8 Casing Tongs</b>  <b>G.1.9 Power Casing Tongs</b></p> <p>Quantity: No.  Make/type:  W/jaws for OD casing (max/min): in/in  Max output torque: ft lbs  Torque indicator: Yes/No  Back-up arm: Yes/No</p> <p><b>G.1.10 Power Unit for Casing &amp; Tubing Tongs</b></p> <p>Quantity: No.  Driven by electric motor: Yes/No</p>	
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RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

<p><b>G.1.11 Casing Circulating Head (Swedge)</b></p> <p>For OD casing: in          Connection type:</p> <p><b>G.1.12 Casing Spears (Internal)</b></p> <p>Quantity: No.          Make/type:          For OD casing: in          For casing weight: lbs/ft          Pack-off: Yes/No</p> <p><b>G.1.13 Casing Cutters (Internal)</b></p> <p>Quantity: No.          Make/type:          For OD casing (max/min): in/in</p> <p><b>G.1.14 Crossover to Handle Casing with DP</b></p> <p>Quantity: No.          For OD casing: in          Casing connection:          Drill pipe connection type:          Rated capacity: st</p> <p><b>G.1.15 Casing Scrapers</b></p> <p>Quantity: No.          Make:          For OD casing: in          For casing weight: lbs/ft          OD body: in          Connection type:</p> <p><b>G.2 CEMENTING EQUIPMENT</b></p> <p><b>G.2.1 Cement Unit</b></p> <p>Owner:          Free placement basis: Yes/No          Make          Type          No. of triplex pumps: No.          Maximum working pressure: psi          Maximum flowrate (total): bbl/min          Unit power by (electric/diesel):          Recirculating mixing system: Yes/No              Capacity: bbl              Motor power: hp          Liquid additive system: Yes/No</p>	
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RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

Premix/batch tank: Quantity:	No.
Pressure recorder:	Yes/No
<b>G.2.2 Cementing Manifold</b>	
Quantity	
Discharge manifold working pressure:	psi
Cement pump discharge lines min. ID:	in
Cement pump discharge lines working pressure:	psi
<b>G.2.3 Cement Kelly</b>	
Quantity:	No.
Nominal size OD:	in
Total length:	ft
Working length:	ft
Connection type:	
Cement head:	Yes/No
<b>G.2.4 Cementing Tubing</b>	
Size:	in
Length (total):	ft
X-overs to drillpipe specified in sect. D.1.3:	Yes/No
<b>H. INSTRUMENTATION/COMMUNICATION</b>	
<b>H.1 DRILLING INSTRUMENTATION AT DRILLER'S POSITION</b>	
<b>H.1.1 Weight Indicator</b>	
Make/type:	
Sensor type:	
Calibrated for number of lines strung (6,8,10, 12, etc):	No.
<b>H.1.2 Standpipe Pressure Gauges</b>	
Quantity:	No.
Make/type:	
Pressure range:	psi - psi
Quantity:	No.
Make/type:	
Pressure range:	psi - psi
Quantity:	No.
Make/type:	
Pressure range:	psi - psi
<b>H.1.3 Choke Manifold Pressure Gauge</b>	

RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Quantity:	No.
Make/type:	
Pressure range:	psi - psi
Quantity:	No.
Make/type:	
Pressure range:	psi - psi
Quantity:	No.
Make/type:	
Pressure range:	psi - psi
<b>H.1.4 Rotary Speed Tachometer</b>	
Make/type:	
<b>H.1.5 Rotary Torque Indicator</b>	
Make/type:	
<b>H.1.6 Motion Compensator Instruments</b>	
Make/type:	
Hook position indicator:	Yes/No
Lock/unlock indicator:	Yes/No
<b>H.1.7 Pump Stroke Counters</b>	
Make/type:	
One pump stroke indicator and one cumulative pump stroke counter for each pump:	Yes/No
<b>H.1.8 Tong Torque Indicator</b>	
Make/type:	
<b>H.1.9 Pit Volume Totalizer</b>	
Make/model:	
Floats in active mud tanks:	Yes/No
Floats in reserve mud tanks:	Yes/No
Loss/Gain indicator:	Yes/No
Alarm (audio and visual):	Yes/No
<b>H.1.10 Mud Flow Indicator</b>	
Make/model:	
High/low alarm (audio and visual):	Yes/No
<b>H.1.11 Trip Tank Indicator</b>	

RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Make/model:	
Chart recorder:	Yes/No
Alarm:	Yes/No
<b>H.1.12 General Alarm System</b>	Yes/No
<b>H.1.13 Automatic Driller</b>	
Make/type:	
<b>H.1.14 Remote Choke Control Unit (see E.14.1)</b>	
Make/model:	
<b>H.2 DRILLING PARAMETER RECORDER</b>	
Quantity:	No.
Location - 1:	
Location - 2:	
Location - 3:	
Make/type:	
Quantity of pens:	No.
<b>H.3 INSTRUMENTATION AT CHOKE MANIFOLD</b>	
<b>H.3.1 Standpipe Pressure Gauge</b>	
Make/type:	
Pressure range (maximum):	psi
<b>H.3.2 Choke Manifold Pressure Gauge</b>	
Make/type:	
Pressure range (maximum):	psi
H.3.1 and H.3.2 combined on one panel:	Yes/No
Visible from choke operation position:	Yes/No
<b>H.4 STANDPIPE PRESSURE GAUGE</b>	
Make/type:	
Pressure range:	psi
Visible from Driller's position:	Yes/No

RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

<p><b>H.5 DEVIATION EQUIPMENT</b></p> <p><b>H.5.1 Measuring Device</b></p> <p>Quantity: No.          Make/type:          Deviation range: degree</p> <p><b>H.5.2 Wireline Winch</b></p> <p>Make/model:          Wire length (nominal): ft          Depth counter: Yes/No          Wire size: in          Pull indicator:</p> <p><b>H.6 CALIBRATED PRESSURE GAUGES</b></p> <p>Make/type instrument gauges:          Size: in          Connection:          Range: psi          Quantity: No.          Facilities to install gauges on:              Standpipe manifold: Yes/No              Choke manifold: Yes/No              Cement unit: Yes/No</p> <p><b>H.7 RIG COMMUNICATION SYSTEM</b></p> <p><b>H.7.1 Telephone System</b></p> <p>No. of stations: No.          Make          Type</p> <p><b>H.7.2 Public Address System</b></p> <p>Can be combined with above: Yes/No          Make          Type          Explosion proof: Yes/No</p> <p><b>H.7.3 Drill Floor - Derrickman’s Talkback</b></p> <p>No. of stations: No.</p>	
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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Location: Make Type Explosion proof: Yes/No  <b>H.7.4 Hand-Held VHF Radios</b>  Quantity: No. Make Type  <b>H.7.5 Hand-Held UHF Radios</b>  Quantity: No. Make Type  <b>H.8 ENVIRONMENTAL INSTRUMENTATION</b>  <b>H.8.1 Temperature Indicators</b>  Air temperature: Yes/No Make/model: Sea water temperature: Yes/No  <b>H.8.2 Barometric Pressure Indicator</b>  Make Type Recorder: Yes/No  Make/model: Recorder: Yes/No  <b>H.8.3 Humidity Sensing Indicator</b>  Make Type Recorder: Yes/No  <b>H.8.4 Wave Profile Recorder</b>  <b>H.9 DP, Vessel Control and Navigation Systems</b>  <b>H.9.1 K-Pos</b>  Make Type Model	
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RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

<p><b>H.9.2 PRS – Position Reference Systems</b></p> <p><b>H.9.2.1 DPS-132</b></p> <p>Make Type Model Differential Links:</p> <p><b>H.9.2.2 DPS-232</b></p> <p>Make Type Model Differential Links:</p> <p><b>H.9.2.3 HPR – Hydroacoustic Positioning System</b></p> <p>Make Type Model Transducer</p> <p><b>H.9.3 MRU - Motion Reference Unit</b></p> <p>Make Model Located at</p> <p><b>H.9.4 Gyro Compass</b></p> <p>Make Model Type Located at: Repeater</p> <p><b>H.9.5 Wind Sensors</b></p> <p>Make Model Type</p> <p><b>H.9.6 DP Logger</b></p> <p>Make Model</p> <p><b>H.9.7 K-Chief</b></p>	
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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

<p>Make Model</p> <p><b>H.9.8 K-Thrust</b></p> <p>Quantity Make Model IP Class Location</p> <p><b>H.9.9 K-Bridge Autopilot</b></p> <p>Make Model Type</p> <p><b>H.9.10 Bridge Watch Alarm System</b></p> <p>Quantity Make Model Location</p> <p><b>H.9.11 Gyro Monitor</b></p> <p>Quantity Make Model Type Location</p> <p><b>H.9.12 Horn Control</b></p> <p>Quantity Make Model Location</p> <p><b>H.9.13 ECDIS</b></p> <p>Quantity Make Model Located</p> <p><b>H.9.14 Watch Bridge Unit</b></p> <p>Quantity Make Model Location</p>	
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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

<p><b>H.9.15 CCTV</b></p> <p>Make Model Type</p> <p><b>H.9.16 Fire Detection System</b></p> <p>Make Model Type Location</p> <p><b>H.9.17 Doppler Speed Log</b></p> <p>Make Model Type Location</p> <p><b>H.9.18 Echo Sounder</b></p> <p>Quantity Make Model Located at: Recorder: Yes/No</p> <p><b>H.9.19 Weather Facsimile</b></p> <p>Quantity Make Model Located at: Recorder: Yes/No</p> <p><b>H.9.20 K-Bridge Radar</b></p> <p>Quantity: No. Make Model Located at: Bandwidth: cm</p> <p><b>H.9.20 K-Bridge Radar(cont)</b></p> <p>Quantity: No. Make Model Located at: Bandwidth: cm</p>	
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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Quantity:	No.	
Make		
Model		
Located at:		
Bandwidth:	cm	
<b>H.9.21 SVDR Remote Alarm Unit</b>		
Quantity		
Make		
Model		
Type		
Location		
Recorder		
<b>H.9.22 Magnetic Compass</b>		
Make		
Model		
Type Approval		
Location		
<b>H.9.23 GPS</b>		
Quantity		
Make		
Model		
Type		
Selector Switch		
Location		
<b>H.9.24 Speed Log &amp; Distance Indicator</b>		
Make		
Quantity		
Model		
Location		
<b>H.9.25 Speed Log &amp; Distance Repeater</b>		
Make		
Quantity		
Model		
Location		
<b>H.9.26 Magnetic Compass Monitor Repeater</b>		
Make		
Model		
Location		

RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

<b>H.10 Radio And Comms Equipment</b>	
Model	
Location:	
<b>H.10.1 SSB Transceiver MF/HF Radio Telephone</b>	
Quantity:	No.
Make	
Model	
Facsimile capable:	Yes/No
Telex capable:	Yes/No
<b>H.10.2 E.P.I.R.B.</b>	
Quantity:	No.
Type	
Make	
Model	
Location	
Quantity:	No.
Type	
Make	
Model	
Location	
<b>H.10.3 VHF/DSC Radio Telephone</b>	
Quantity:	No.
Make	
Model	
Power:	watts
Channels:	
Location	
<b>H.10.4 UHF Radio Telephone</b>	
Quantity	
Make	
Model	
Located at:	
<b>H.10.5 Aero Radio Beacon Transmitter</b>	
Quantity:	No.
Make	
Model	
Power:	watts

RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

<p><b>H. 10.6 Areonautical VHF Transciever</b></p> <p>Quantity: No.</p> <p>Make</p> <p>Model</p> <p>Quantity: No.</p> <p>Make/model:</p> <p>Model</p> <p><b>H.10.7 AIS</b></p> <p>Quantity</p> <p>Make</p> <p>Model</p> <p>Type</p> <p>Location</p> <p><b>H.10.8 Radio Telex</b></p> <p>Quantity No.</p> <p>Make</p> <p>Model</p> <p>Location</p> <p><b>H.10.9 Satellite Communication System</b></p> <p>Make</p> <p>Model</p> <p>Type:</p> <p>Facsimile link: Yes/No</p> <p>Telex link: Yes/No</p> <p>Telephone link: Yes/No</p> <p>Video Telephone</p> <p>Other capabilities:</p> <p><b>H.10.10 SART</b></p> <p>Quantity</p> <p>Make</p> <p>Model</p> <p>Battery Expiry Date</p> <p>Location</p> <p><b>H.10.11 Homing Beacon Control</b></p> <p>Quantity</p> <p>Make</p> <p>Model</p> <p>Location</p>	
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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

<p><b>H.10.12 Disstress Message Control Panel</b></p> <p>Quantity Make Model Location</p> <p><b>H.10.13 Sound Reception Panel</b></p> <p>Make Model</p> <p><b>H.10.14 Talk Back Main</b></p> <p>Make Model Location</p> <p><b>Talk Remote Unit</b></p> <p>Make Model</p> <p><b>H.10.15 P/A &amp; T/B REMOTE CONTROLLER</b></p> <p>Make Model Type</p> <p><b>P/A Main (1) (2)</b></p> <p>Quantity Make Model General Alarm Location</p> <p><b>H.10.16 Bridge Telephone</b></p> <p>Make Model Type</p> <p><b>H.10.17 Bridge Sound Powered Telephone</b></p> <p>Make Model</p> <p><b>H.10.18 Navtex Receiver</b></p>	
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RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

<p>Make Model Type</p> <p><b>H.10.19 DSC/NBDP Modem</b></p> <p>Make Model Quantity Location</p> <p><b>H.10.20 Facsimile</b></p> <p>Make Model Quantity Location</p> <p><b>H.10.21 Inmarsat-C</b></p> <p>Make Model Quantity Location</p> <p><b>H.10.22 SSAS</b></p> <p>Make Type Quantity</p> <p><b>H.10.23 Long Range Identification and Tracking System (LRIT)</b></p> <p>Make Type</p> <p><b>I. Production Test Equipment</b></p> <p><b>I.1 BURNERS</b></p> <p>Make/type: Quantity: No. Capacity: bbl/day Weight: st Water requirement at 100 psi: bbl/min</p>	
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RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

<p><b>I.2 BURNER BOOMS</b></p> <p>Make/type:                  Quantity: No.                  Length: ft                  Horizontal: Yes/No                  Height above sea level (at drilling draft): m                  WalkWay and handrails: Yes/No                  Burner platform size: ft x ft                  Burner mounting rotatable: Yes/No                  Regulatory approvals:</p> <p><b>I.3 LINES REQUIRED ON BURNER BOOMS</b></p> <p><b>I.3.1 Oil Line</b></p> <p>ID: in                  Working pressure: psi                  Connection type at burner end: type                  H2S: Yes/No                  Pressure gauge connection at barge end: in</p> <p><b>I.3.2 Gas Line</b></p> <p>ID: in                  Working pressure: psi                  Extended beyond burner by: ft                  Connection type at burner end: type                  H2S: Yes/No                  Pressure gauge connection at barge end: in</p> <p><b>I.3.3 Water Line</b></p> <p>ID: in                  Working Pressure: psi                  Connection type at burner end: type                  Pressure gauge connection at barge end: in</p> <p><b>I.3.4 Air Line</b></p> <p>ID: in                  Working Pressure: psi                  Connection type at burner end: type                  Pressure gauge connection at barge end: in</p> <p><b>I.3.5 Pilot Gasoline</b></p> <p>ID: in                  Working Pressure: psi                  Connection type at burner end: type</p>	
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RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

Pressure gauge connection at barge end:	in	
<b>I.4 SPRINKLER SYSTEM</b>		
<b>I.5 FIXED LINES FOR WELL TESTING</b>		
<b>I.5.1 Drillfloor to Well Test Area</b>		
Type (screwed/welded, both):		
Quantity:	No.	
Size ID:	in	
Working pressure:	psi	
Connection type on drill floor:		
Connection type at separator:		
Number of valves/lines:	No.	
Size of valves:	in	
H2S:	Yes/No	
<b>I.5.2 Well Test Area to Each Burner Boom</b>		
Type (screwed/welded, both):		
Quantity:	No.	
Size ID:	in	
Working pressure:	psi	
Connection type on separator:	type	
Connection type at boom:	type	
Number of valves/lines:	No.	
Size of valves:	in	
H2S:	Yes/No	
Valves installed near separator area for switching gas to either burner:	Yes/No	
<b>I.5.3 Mud Pumps to Both Burner Booms</b>		
Type (screwed/welded, both):		
Quantity:	No.	
Size ID:	in	
Working pressure:	psi	
Number of valves required:	No.	
Size of valves:	in	
Connected to fire fighting pumps:	Yes/No	
Rated line capacity at 300 psi:	bbl/hr	
<b>I.5.4 Rig Air System to Burners</b>		
Type (screwed/welded, both):		
Quantity:	No.	
Size ID:	in	
Working pressure:	psi	



RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Non-return valves fitted:	Yes/No	
<b>I.5.5 Oil Storage Tank To Overboard</b>		
<b>I.5.6 Separator to Ventstack of Rig</b>		
<b>I.6 AUXILIARY POWER AVAILABILITY</b>		
<b>I.6.2 For Crude Transfer Pump</b>		
<b>I.6.3 For Electric Heaters</b>		
<b>J. WORKOVER TOOLS</b>		
<b>K. ACCOMMODATIONS</b>		
<b>K.1 OFFICES</b>		
<b>K.1.1 Company Representative's Office</b>		
Quantity:	No.	
Complete with desk, filing cabinets (s) and other necessary furniture:	Yes/No	
Unrestricted view to drill floor:	Yes/No	
<b>K.1.2 Contractor's Representative's Office</b>		
Quantity:	No.	
Unrestricted view to drill floor:	Yes/No	
<b>K.1.3 Radio Room</b>		
Quantity:	No.	
<b>K.1.4 Hospital Room</b>		
Number of beds/bunks:	No.	
Wash basin:	Yes/No	
Medical cabinet:	Yes/No	
Dangerous drugs:	Yes/No	
<b>K.2 LIVING QUARTERS</b>		
<b>K.2.1 Accommodations</b>		
Total beds:	No.	
Quantity of single bed rooms:	No.	
toilets (private/shared/communal):		
Quantity of two bed rooms:	No.	

RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

toilets (private/shared/communal):	
<b>K.2.2 Galley</b>	
Quantity:	No.
<b>K.2.3 Mess Seating Capacity</b>	
Main mess:	No.
Aux. mess:	No.
<b>K.2.4 Conference Rooms</b>	
Quantity:	No.
<b>K.2.5 Recreation Rooms</b>	
Quantity:	No.
Recreation facilities:	
TV:	No.
DVD:	No.
Pool Table:	No.
Ping Pong Table:	No.
Computer:	No.
Football Table	DVD
<b>K.2.6 Other Rooms</b>	
Laundry:	No.
Dry food storage:	No.
Refrigerator:	No.
Change rooms:	No.
Coffee Shop	
Prayer room:	No.
Training Room	
Gymnasium:	No.
<b>L. SAFETY EQUIPMENT</b>	
<b>L.1 GENERAL SAFETY EQUIPMENT</b>	
<b>L.1.1 GENERAL PERSONNEL PROTECTIVE GEAR</b>	
Safety hats	
(3rd Party Only/everyone/not supplied):	
Safety boots	
(3rd Party Only/everyone/not supplied):	
Safety clothing	
(3rd Party Only/everyone/not supplied):	

RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

<p>Ear protection (3rd Party Only/everyone/not supplied): Rubber gloves (3rd Party Only/everyone/not supplied): Rubber aprons (3rd Party Only/everyone/not supplied): Fullface visors (3rd Party Only/everyone/not supplied): Eye shields (for grinding machines, etc.) (3rd Party Only/everyone/not supplied): Dust masks: (3rd Party Only/everyone/not supplied): Rubber gloves (elbow length for chemical handling) (3rd Party Only/everyone/not supplied): Explosion proof hand torches c/w batteries (3rd Party Only/everyone/not supplied): Safety belts c/w lines (3rd Party Only/everyone/not supplied):</p>	
<p><b>L.1.2 EYE WASH STATIONS</b></p> <p>Quantity: No. Make/model: Located at: Located at: Located at: Located at: Located at:</p> <p>Quantity: No. Make/model: Located at: Located at: Located at: Located at: Located at: Located at: Located at: Located at: Located at: Located at: Located at: Located at: Located at: Located at: Located at: Located at: Located at: Located at:</p> <p><b>L.1.3 Derrick Safety Equipment</b></p> <p>Derrick escape chute (rem chute): No.</p>	

RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Make/type: Derrick safety belts: <span style="float: right;">No.</span> Make/type:	
<b>L.1.4 Derrick Climbing Assistant</b>	
<b>L.1.5 Fresh Air Blowers (Bug Blowers)</b>	
Quantity: <span style="float: right;">No.</span> Make/type: Located at:	
<b>L.2 GAS/FIRE/SMOKE DETECTION</b>	
<b>L.2.1 H2S Monitoring System</b>	
Make/type: Sampling points at: General / Central alarm: <span style="float: right;">Yes/No</span> Alarm types (audible, visual, both) at Nav Bridge DP Backup Control Room Engine Control Room: Driller's Control Room: Toolpusher's Office	
<b>L.2.2 Combustible Gas Monitoring System</b>	
Make/type: Sampling points at: Bellnipple: <span style="float: right;">Yes/No</span> Drill floor: <span style="float: right;">Yes/No</span> Shale shaker: <span style="float: right;">Yes/No</span> Mud tanks: <span style="float: right;">Yes/No</span> Ventilation system into living quarters: <span style="float: right;">Yes/No</span> Other:	
<b>L.2.3 Gas Detectors (Portable)</b>	
Quantity: <span style="float: right;">No.</span> Make: Type Tests	
<b>L.2.4 VOC Gas Detectors (Portable)</b>	
Quantity: <span style="float: right;">No.</span>	

RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

<p>Make: Type Test</p> <p><b>L.2.5 Fire/Smoke Detectors</b></p> <p>Make Model Fire detection: Yes/No Smoke detection: Yes/No Central alarm panel: Yes/No Location:</p> <p><b>L.3 FIRE FIGHTING EQUIPMENT</b></p> <p><b>L.3.1 Fire Pumps</b></p> <p>Quantity: No. Make/model: Type: Output (each): U.S.gals/min All offtake points supplied by each pump: Yes/No Location of Pumps:</p> <p>Fire fighting water delivery conforms to IMO MODU Spec: Yes/No</p> <p><b>L.3.2 Hydrants &amp; Hoses</b></p> <p>Hydrants positioned such that any point may be reached by a single hose length from two separate hydrants: Yes/No</p> <p>Quantity of hydrants: No. Hose connections / hydrant: No.</p> <p><b>L.3.3 PORTABLE FIRE EXTINGUISHERS</b></p> <p>Quantity (total): No. CO2 (5kg): No./lbs Foam (45ltr): Foam (135ltr): Dry Chemical (12kg): Dry Chemical (45kg): No./lbs Chemical (9ltr): No./lbs</p> <p>Mounted adjacent to access ways and escape routes: Yes/No</p> <p><b>L.3.4 Fire Blankets</b></p>	
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RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

Quantity:	No.	
Type:		
Location:		
<b>L.3.5 Fixed Foam Fire-Fighting System</b>		
<b>L.3.6 Fixed Water Fire-Fighting System</b>		
Location		
Specifics		
Approval		
Make		
Type		
Required Flow		
Number Nozzles		
Conforms to		
<b>L.3.7 Helideck Foam System</b>		
Dedicated system adequate for at least 10 minutes fire fighting at the rate quoted in the IMO MODU code:	Yes/No	
Make/type:		
Quantity of monitors:	No.	
Foam type:		
Rate:	U.S.gals/min	
<b>L.3.8 Fixed Fire Extinguishing System</b>		
CO2 System :		
FM200:		
Protected spaces		
Engine room/Thruster, type (FM200/CO2):		
Paint locker, type (FM200/CO2):		
Emergency generator, type (FM200/CO2):		
SCR room, type (FM200/CO2):		
Other - location: thrusters rooms, galley, aft switchboard rooms, purifier rooms,		
Alarms (audible, visual or both):		
Automatic shutting of mechanical ventilation in protected spaces:	Yes/No	
CO2 Remote / Manual release located at:		
FM200 Remote / Manual release located at:		
<b>L.3.9 Manual Water Deluge System</b>	Yes/No	
Protected spaces:		
Water supplied from fire main line:	Yes/No	

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RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

<p><b>L.3.10 Water Sprinkler System in Accommodation</b></p> <p><b>L.4 BREATHING APPARATUS</b></p> <p><b>L.4.1 General Sets</b></p> <p>Quantity: No.          Make:          Type:          Bottle duration: min          Located at: qty/loc</p> <p><b>L.4.2 Escape Sets</b></p> <p>Quantity: No.          Make:          Type:          Bottle duration: min          Located at:</p> <p><b>L.4.3 Cascade Stations</b></p> <p><b>L.4.4 Breathing Air Recharge Compressor</b></p> <p>Quantity: No.          Make/type:          Located at:</p> <p><b>L.4.5 Compressed Air Breathing Apparatus Trolley Unit</b></p> <p><b>L.4.6 Air Purity Test Equipment</b></p> <p>Quantity: No.          Make:          Type:</p> <p><b>L.5 EMERGENCY FIRST AID EQUIPMENT</b></p> <p><b>L.5.1 First Aid Kits</b></p> <p>Quantity: No.</p>	
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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

<p><b>L.5.2 Burn Kits</b></p> <p>Quantity: No.</p>	
<p><b>L.5.3 Resuscitators</b></p> <p>Quantity: No.</p> <p>Charged (spare) oxygen cylinders: No.</p>	
<p><b>L.5.4 Stretchers</b></p> <p>Quantity: No.</p> <p>Type:</p> <p>Located at:</p>	
<p>Quantity: No.</p> <p>Type:</p> <p>Located at:</p>	
<p>Quantity: No.</p> <p>Type:</p> <p>Located at:</p>	
<p>Quantity: No.</p> <p>Type:</p> <p>Located at:</p>	
<p>Quantity: No.</p> <p>Type:</p> <p>Located at:</p>	
<p>Quantity: No.</p> <p>Type:</p> <p>Located at:</p>	
<p>Quantity: No.</p> <p>Type:</p> <p>Located at:</p>	
<p><b>L.6 HELIDECK RESCUE EQUIPMENT</b></p>	
<p><b>L.6.1 Storage Boxes</b></p> <p>Quantity: No.</p> <p>Construction material:</p> <p>Max. height open: in</p>	
<p><b>L.6.2 Equipment</b></p>	



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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Aircraft axe:	Yes/No	
Large fireman’s rescue axe:	Yes/No	
Crowbar:	Yes/No	
Heavy duty hacksaw:	Yes/No	
Spare blades:	Yes/No	
Grapple hook:	Yes/No	
Length of wire rope attached:	ft	
Quick release knife:	Yes/No	
Bolt coppers:	Yes/No	
<b>L.7 RIG SAFETY STORE</b>		
Equipment to repair, recharge and restock safety equipment as listed below:		
Foam concentrate:	Yes/No	
Dry chemical charges:	Yes/No	
CO2 charges for dry chemical extinguishers:	Yes/No	
CO2 charges for water extinguishers:	Yes/No	
CO2 charges for foam extinguishers:	Yes/No	
Discharge hoses, control nozzles and horns & washers for DP extinguishers:	Yes/No	
Fire blankets:	Yes/No	
Fireproof gloves:	Yes/No	
Rubber gloves - elbow length:	Yes/No	
Rubber aprons:	Yes/No	
Rubber boots:	Yes/No	
Full face visors:	Yes/No	
Eye shields (for grinding machines, etc.):	Yes/No	
Dust masks:	Yes/No	
Spare safety helmets, boots, overalls:	Yes/No	
Gloves, hand torches, batteries, etc:	Yes/No	
Spare lifebuoys:	Yes/No	
Spare lifebuoy lights:	Yes/No	
Fresh air blowers/inductors for ventilating enclosed spaces:	Yes/No	
Spare life jackets:	Yes/No	
Safety belts c/w line:	Yes/No	
Full safety harnesses:	Yes/No	
Spare Derrickman’s safety belts:	Yes/No	
Spare SCBA bottles, charged:	Yes/No	
<b>L.8 EMERGENCY WARNING ALARMS</b>		
Approved system to give warning of different emergencies:	Yes/No	
<b>L.9 SURVIVAL EQUIPMENT</b>		

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RIG & EQUIPMENT SPECIFICATIONS

Atwood Achiever Deepwater Drillship

<p><b>L.9.1. Lifeboats</b></p> <p>Make  Type  Model  Quantity: No.  Capacity: person/craft  Locations (fore, aft, port, stbd):</p>	
<p>Fire protection: Yes/No  Emergency Air  Fitted VHF Radio  SART  EPIRB  Flares: Yes/No  Food: Yes/No  First aid kits: Yes/No</p>	
<p><b>L.9.2 Life Rafts</b></p> <p>Make  Type  Quantity: No.  Capacity: person/craft  Launching Type Yes/No  Locations (fore, aft, port, stbd):  Fire protection: Yes/No  Radios: Yes/No  Flares: Yes/No  Food: Yes/No  First aid kits: Yes/No</p>	
<p><b>L.9.3 Rescue Boat</b></p> <p>Make  Model  Type  Length  Capacity  Engine power: hp  Speed  Range</p>	
<p><b>L.9.4 Life Jackets</b></p> <p>Make  Type</p>	

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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

Quantity:	No.	
<b>L.9.5 Life Buoys</b>		
Make		
Type		
Quantity:	No.	
<b>L.9.6 Survival Suits</b>		
Make		
Type		
Quantity:	No.	
<b>L.9.7 Work Vest</b>		
Make/type:		
Quantity:	No.	
<b>L.9.8 Escape Ladders</b>		
Make/type:		
Quantity:	No.	
Locations		
<b>L.9.9 Distress Signals</b>		
Type		
Make		
Quantity:	No.	
Type		
Make		
Quantity:	No.	
<b>M.1. SEWAGE TREATMENT</b>		
Make/model:		
System type:		
Conforms to (Marpol, Annex IV, etc.):		
Make/model:		
System type:		
Conforms to (Marpol, Annex IV, etc.):		

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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

<p><b>M.2 GARBAGE COMPACTION</b></p> <p>Quantity Make/model: System type:</p> <p><b>M.3 GARBAGE DISPOSAL/GRINDER</b></p> <p>Make/model: System type: Quantity Conforms to (Marpol Annex IV, etc.):</p>	
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RIG & EQUIPMENT SPECIFICATIONS

**Atwood Achiever Deepwater Drillship**

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## **SECTION 8**

### **PRE-ACCEPTANCE REQUIREMENTS**

Operator, in its sole discretion, has the right to determine which of the following requirements (“**Pre-Acceptance Requirements**”) can be omitted or are not required to be completed or performed, which determination shall be made prior to the Mobilization Commencement Date. It is the Parties’ intent that the Pre-Acceptance Requirements will be accomplished prior to the Mobilization Commencement Date and any Punch List items will be accomplished in accordance with Clause 2.3 of Section 2 of the Contract.

#### **Pre-requisites of Pre Acceptance Testing**

- The Drilling Unit operations crew shall confirm the existence/non-existence of any mechanical, electrical or software “overrides and bypasses” using the Management of Change process.
- An action plan for pre acceptance criteria punch list items shall be mutually agreed by Operator and Contractor fifteen (15) days in advance of commencement of testing/inspecting.
- A drill crew shall be available to operate the equipment and systems.
- Provision of FMEA and FMECA on the following systems: power management, BOP control and operating system, drilling control system.

#### **Safety Systems**

##### **Objective**

Ensure that the Drilling Unit safety systems, both equipment and processes, are working correctly and are fit for purpose before commencing Work.

##### **Functions to be tested**

- Space/Compartment/Area HSE inspection
- Safety signage in place and correctly installed
- Dropped object inspection
- Random testing of safety alarms and shutdowns
- Purge air systems are operational and alarm on loss of air supply or low air pressure
- Rig Emergency Shut Down (ESD) systems (local and remote) are functional
- Zone management system
- Ensure radio interference does not affect the drilling instrumentation and control

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system.

- Uninterrupted Power Supply functionality
- Drawworks emergency braking and lowering
- Main engine protection and shutdown systems
- Switchboard protection and shutdown systems
- Emergency generator auto-start capability
- Cold start compressor capability
- Port and starboard deck cranes, and riser gantry crane safety systems
- Test zoom, pan and tilt of all Close Circuit TV cameras as applicable
- Ensure there are no control overrides & bypasses other than those as agreed thru the Management Of Change process
- MSDS data review
- WHI/JHI review
- Emergency Procedures Manual in place and operational
- Pressure Safety Valve registers up to date
- Assess noise levels as per Contractor safety manual for development of noise map
- Key personnel competency

#### **Work Instructions**

Detailed test procedures complete with WI/JHI shall be developed by Contractor and mutually agreed to by Operator and consistent with manufacturer's specifications and prudent operational standards.

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## **Emergency Drills**

### ***Objective***

Assess Drilling Unit management and Drilling Unit knowledge and execution of their emergency procedures and Drilling Unit management leadership in crisis management. The initiation of drills shall be coordinated with rig management and unannounced to Drilling Unit crew.

### **Items to be verified**

- Well Control — pit drill, tripping drill, circulation of a kick
- Gas contingency
- Fire drill
- General muster
- Man overboard
- Prepare to abandon
- Abandon rig
- Ballast drill
- Emergency disconnect
- Medical evacuation
- Spill response
- DP and loss of station drill

### **Work Instructions**

Detailed test procedures complete with WI/JHI shall be developed by Contractor and mutually agreed to by Operator and consistent with manufacturer’s specifications and prudent operational standards



## **Power Management**

### ***Objective***

Verify all power generation and management equipment and processes are working reliably and fit for purpose. Each engine shall be run for a minimum of 3 hours at around 90% full load. Engines can be run in parallel.

### **Items to be verified**

- Blackout recovery
- Vessel Management System
- Power management system
- Power generation — voltage regulation, confirm engine control panel and ramp-up
- Transformers and drives — current imbalance, VFD frequency load reduction and power limit settings
- Monitor and confirm operation and performance of main engines
- Monitor and confirm operation and performance of main engine auxiliaries
- Power distribution system, transformers, protective device settings
- Redundancy systems (single faults will not crash the system - FMEA)
- Confirm operation of all protective and shut-down devices
- Engine heat balance
- Monitor and confirm operation and performance of engine room ventilation
- Monitor and confirm operation and performance of air starting system
- Monitor and confirm operation and performance of engine (rig’s) cooling system
- Assess equipment vibration levels are within allowable limits
- Crew competency

### **Work Instructions**

Detailed test procedures complete with WI/ JHI shall be developed by Contractor and mutually agreed to by Operator consistent with manufacturer’s specifications and prudent operational standards.

## **HP Mud System**

### ***Objective***

Test mud pumps for 4 hours (at 90% SPM) individually and in combinations while circulating through system choke manifold, manual choke, with seawater, and generators operating in parallel if possible.

### **Functions to be tested**

- Performance and load run on each mud pump
- Monitor and confirm operation and performance of the solids control equipment
- Flow line and mud gates, capacity and isolation capabilities
- Mud gas separator
- Overboard lines
- Monitor and confirm operation and performance of vacuum degasser
- Monitor and confirm operation and performance of all charge pumps
- Monitor and confirm operation and performance of all agitators
- Monitor and confirm operation and performance of mud pump synchronization, if available
- Monitor and confirm operation and performance of shakers
- Operate remote choke operation
- Monitor and confirm operation of load sharing of main engines
- Monitor and confirm operations and performance of drilling motor drives
- Monitor and confirm operation of liner wash cooling system

### **Work Instructions**

Detailed test procedures complete with WI/JHI shall be developed by Contractor and mutually agreed to by Operator and consistent with manufacturer’s specifications and prudent operational standards.

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## **Simulate Drilling**

### ***Objective***

Make up drill pipe in the mouse hole and drill pipe at main well center. Running in and pulling out drill pipe stands and singles at the main well center. Lay down singles. Rotate top drive at maximum RPM and torque achievable with torque paddle system. Initially, there shall be no concurrent activity while monitoring crew/equipment competence.

### **Items to be verified**

- Circulate down string with sea water around mud system — method to be determined depending upon location
- Pull out drill pipe stands at the main rotary using mud bucket. Lay down singles at auxiliary mousehole / foxhole.
- Confirm operation and functionality of the drilling controls and instrumentation system
- Main top drive — rotational (dynamic load - paddle) tests and pipe handling
- Main and auxiliary Iron Roughnecks
- Main and auxiliary mouseholes
- Main rotary table
- Main system — demonstrate heave compensation
- Monitor and confirm operation and performance of mud bucket
- Catheads - main and auxiliary
- Monitor and confirm operation and performance of HPU
- Simulate a well kick by pumping down kill and taking returns up choke

### **Work Instructions**

Detailed test procedures complete with WI/ JHI shall be developed by Contractor and mutually agreed to by Operator and consistent with manufacturer’s specifications and prudent operational standards.

## **Pipe Handling**

### ***Objective***

Verify pipe handling control system, equipment and processes are working reliably and fit for purpose and that the Drilling Unit crew can demonstrate competency and safe operations. Make up drill pipe. Initially there shall be no concurrent activity while monitoring crew Drilling Unit / equipment competence. Concurrent activities will commence once equipment and Drilling Unit crew competence have been established as determined by Drilling Unit OIM.

### **Items to be verified**

- Pick up, trip in/out and lay down tubulars
- Make up two (2) stands of collars and HWDP.
- Simulate drilling and pick up and make up drill pipe and rack back depending upon if space available beneath rig to achieve sustainable tripping of pipe.
- Make up (10) stands of 5” drill pipe and rack back
- Pick-up and lay down using the mouse hole
- Pick-up and lay down using the main rotary
- Confirm operation and functionality of the drilling control system
- Confirm operation of Iron Roughnecks
- Confirm operation of auxiliary mouseholes / foxhole operations
- Main rotary table
- Confirm operation of hoisting system
- Monitor and confirm operation and performance of mud bucket
- Cathead
- Monitor and confirm operation and performance of HPU
- Demonstrate slip and cut of drill-line and develop procedure
- Confirm FMEA tests completed and actioned for drilling control systems
- Demonstrate finger boards for racking all casing and tubulars

### **Work Instructions**

Detailed test procedures complete with WI/ JHI shall be developed by Contractor and mutually agreed to by Operator and consistent with manufacturer’s specifications and prudent operational standards.

## **BOP and Riser Handling**

### *Objective*

Verify that the equipment and processes necessary to run, latch and pull BOP and riser are working correctly and are fit for purpose.

### **Items to be verified**

- Safety: review WI/JHI’s running BOP and riser
- Riser and slip joint handling tools inclusive of gimbal and spider
- Crew competency
- Riser analysis
- Riser handling tool for crane.
- Riser running tool (used at well center)
- Move BOP to well center
- Land riser with BOP in riser cart and move cart starboard-port then back to well center.
- BOP transporter (elevator)
- Observe MUX cable handling and protection for cable and plugs from BOP storage location to well center
- Full function test of BOP on surface on both PODS
- Full pressure test at surface of BOP including LMRP and connector
- Fully function test diverter system and flow through to verify outlets, hole fill, diverter selector etc. and check interlocks includes pressure test of diverter bag and confirm sequence of valves
- Prove KT ring functionality
- Prove tension ring / slip joint interface
- Monitor and confirm operations and performance of riser tensioner system
- Monitor and confirm operation and performance of HP tensioner air system
- Monitor communication between the moon pool and the BCO/TPO
- Monitor and confirm operation and performance of the telescoping work basket and fall arrestor location
- Verify riser tailing with DFMA to assess if joints can be run through handling

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system without damage

- Operator shall have the option to run a riser recoil test on an Operator-provided well-head in greater than 5,000 ft. of water at Nil Rate. If the test reveals any failures or breakdown in the riser, the time spent to repair or address such issues shall be at Nil Rate.

**Work Instructions**

Detailed test procedures complete with WI/ JHI shall be developed by Contractor and mutually agreed to by Operator consistent with manufacturer’s specifications and prudent operational standards.

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## **Bulk System**

### ***Objective***

Verify that the cement and barite bulk equipment and processes are working correctly and are fit for intended purpose. Transfer bulk powder from various P tanks to establish transfer rates. Operator to provide all bulk chemicals.

### **Items to be verified**

- Confirm PSV's are in certification
- Monitor and confirm operation and performance of bulk air system inclusive of dryers and back-up bulk air supply
- Monitor and confirm operation and performance of “intra rig” bulk transfer
- Monitor and confirm operation and performance of bulk transfer system from boat to Drilling Unit and from Drilling Unit back to boat
- Crew competency e.g.: correct valve line up
- Monitor and confirm operation and performance of bulk control system including verification of bulk tank load cells and Human Machine Interface's
- Verify the effectiveness of the vent system / and dust collection system
- Confirm there is no possibility of cross-contamination between bulk mud and cement systems including LOTO of valves
- Correct valve line up
- Monitor and confirm operation and performance of ballast system

### **Work Instructions**

Detailed test procedures complete with WI/ JHI shall be developed by Contractor and mutually agreed to by Operator and consistent with manufacturer's specifications and prudent operational standards.

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## **Mud Mixing**

### ***Objective***

Safely mix water based mud, and weight amount and weight are to be confirmed by Operator. Operator shall provide all mud and mud chemicals.

For example:

- a) Build 400 bbls 10.0 ppg water based mud
- b) Increase density of 10.0 ppg mud to 11.0 ppg
- c) Mix 50-100 bbls to 17.0 ppg mud then cut back

### **Functions to be tested**

- Confirm all MSDS's are available on Drilling Unit and confirm all required PPE is available
- Monitor and confirm operation and performance of drill water, sea water, base oil supply at sustained rate
- Monitor and confirm operation and performance of mixing hoppers
- Pit management — fluid transfer between active / reserve while mixing
- Environmental containment effectiveness
- Monitor and confirm operation and performance of low pressure mud system
- Monitor and confirm operation and performance of mud transfer system to / from active / reserve and boats
- Monitor and confirm operation and performance of all agitators
- Monitor and confirm operation and performance of bulk system monitoring and weight-up system
- Confirm operation and performance of pill / slug mixing system
- Monitor and confirm operation and performance of bulk air system

### **Work Instructions**

Detailed test procedures complete with WI/ JHI shall be developed by Contractor and mutually agreed to by Operator consistent with manufacturer's specifications and prudent operational standards.



## **Drilling Fluid & Completion Fluid Circulation and Mixing**

### ***Objective***

Verify that the drilling fluid circulation equipment and process are working correctly and are fit for purpose while evaluating crew competency.

Test mud pumps individually and in combinations while circulating through main and auxiliary systems standpipe manifold, rotating top drive, choke manifold, manual choke, with seawater and mud mixed above, and generators operating in parallel at maximum sustainable rates (at 90% SPM based on liner size).

### **Items to be verified**

- Confirm PSV's are in certification and are correctly set
- Performance and load run on each mud pump with seawater and WBM
- Monitor and confirm operation and performance of the solids control equipment
- Confirm flow line and mud gates capacity and isolation capabilities
- Overboard lines
- Monitor and confirm operation and through-put performance of vacuum degasser
- Monitor and confirm operation and performance of all charge pumps
- Monitor and confirm operation and performance of shakers
- Standpipe manifold: confirm alignment between auxiliary and main standpipes and cementing standpipe manifold
- Monitor and confirm operation of load sharing of main engines with mud pumps running
- Monitor and confirm operations and performance of drilling motor drives for mud pumps
- Monitor and confirm operations and performance of seawater system
- Drilling fluid and mud pump instrumentation
- Confirm designed supply of weighted mud and sea water to the trip tank
- Confirm designed supply of weighted mud and sea water (pits) to hole fill
- Confirm designed supply of sea water (sea chest) direct to mud pump suctions to down hole
- Confirm accurate volume measurement for the trip tank

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- Monitor and confirm performance of PVT system (active) and verify consistency with MD Totco Rig Sense
- Confirm drilling fluid and completion fluid systems are independent with no possibility of cross-contamination between the two including LOTO of valves
- Confirm functionality (pump-out / pump-in) of base oil and mud storage in lower hull
- Confirm functionality of agitation of base oil and mud storage in lower hull

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**Work Instructions**

Detailed test procedures complete with WI/ JHI shall be developed by Contractor and mutually agreed to by Operator and consistent with manufacturer’s specifications and prudent operational standards.

## **Cement Mixing**

### ***Objective***

Verify Drilling Unit -based cement support systems and processes, as well as crew competency to ensure the below items are safely performed. Safely mix and pump cement slurry at a weight and amount to be confirmed by Operator if possible. Equipment is Operator provided and specified inclusive of all mixing chemicals.

### **Items to be verified**

- Complete pressure test of cement unit and lines from to various rig floor manifolds / standpipes to maximum working pressure.
- Monitor and confirm operation and performance of bulk cement storage
- Monitor and confirm operation and performance of sea water delivery to cement unit
- Monitor and confirm operation and performance of cement surge tank, vent / dust collection system (as provided by cement company)
- Monitor and confirm operation and performance of bulk air
- Monitor and confirm operation and performance of liquid additive system (as provided by cement company)
- Rig up to mix, pump and displace cement slurry from cement unit if possible.
- Pump water through LAS to confirm correct operation
- Need to investigate if cement can be mixed using batch cement unit
- Supply cement unit with weighted mud at maximum sustainable rate
- Supply drill water to cement unit at maximum sustainable rate (TBD)
- Supply sea water to cement unit at maximum sustainable rate (TBD)
- Supply brine to cement unit at maximum sustainable rate (TBD)
- Supply base oil to cement unit at maximum sustainable rate (TBD)
- Supply diesel to cement unit at maximum sustainable rate (TBD)
- Demonstrate there is a clear way for cement unit to pressure test BOP at surface and at depth, choke and kill manifold and other surface equipment
- Prove pumping ability to cement standpipe, choke manifold and cleanout lines
- Demonstrate clear (noise free) communications, normal and emergency, between cement unit and drill floor (TBD)

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- During these operations confirm instrumentation is functioning and is calibrated correctly: e.g., for Pressures, flow rates and tank levels
- Prove suitable clean-up capability and drains exist for the cement system

**Work Instructions**

Detailed test procedures complete with WI/JHI shall be developed by Contractor and mutually agreed to by Operator consistent with manufacturer’s specifications and prudent operational standards.

## **BOP Pressure and Function Tests**

### ***Objective***

Demonstrate that the subsea and well control are fit for their intended purposes and the design meets Well specification.

### **Items to be verified**

- Perform full function test from each well control panel at surface
- Perform full LMRP / BOP pressure test on surface using both pods
- Verify accumulator, check precharge at surface.
- Confirm ROV stabs are correctly identified
- Test well control operator panels on UPS and batteries at surface
- Verify choke manifold auto and manual controls
- Verify BOP test pump
- Verify LMRP / BOP control system fluid mix and water sample frequency
- Perform pressure test of choke manifold and valves, IBOP's, TIW and in-string valves
- Function test all LMRP and BOP ROV stab functions at depth
- Verify BOP control system fluid mix and water sample frequency
- Identify ROV system capability requirements to function test all BOP ROV functions and provide to Operator.
- Disconnect BOP, hang off on BOP cart, and move riser string off well center.
- Re-engage riser and pull BOP.
- Verify riser catching and pulling to assess if riser can run through handling system without damage.
- Rack back BOP, carrier, guidance system and BOP jacking system to verify movement, correctness and operability

### **Work Instructions**

Detailed test procedures complete with WI/ JHI shall be developed by Contractor and mutually agreed to by Operator consistent with manufacturer's specifications and prudent operational standards.

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## **Emergency Disconnect**

### ***Objective***

Ensure EDS system is fully functioning.

### **Items to be tested and or verified**

- Review riser tensioner safety program for wire breakage
- Execute “low” and “high” tension tests
- Verify crew competency
- Execute Emergency Disconnect System on surface if possible.
- Reconnect LMRP to BOP
- Confirm control of LMRP / BOP stacks are re-established
- Confirm EDS functions executed in BOP
- Pressure test all connections that were separated

### **Work Instructions**

Detailed test procedures complete with WI/ JHI shall be developed by Contractor and mutually agreed to by Operator consistent with manufacturer’s specifications and prudent operational standards.

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## **Lifting Appliances and Cargo Handling**

### ***Objective***

Verify all applicable lifting equipment and processes are working correctly and are fit for their intended purpose.

### **Items to be verified**

- Deck cranes
- Sling register
- Loose lifting gear
- Riser gantry crane
- Man-riding baskets (Drilling Unit floor and moon pool)
- Utility winches
- Scissor lifts
- Riser bay work platform
- Miscellaneous chain falls, hoists, pad eyes, etc.
- BOP handling (riser cart) equipment
- Riser handling equipment
- Certification of all lifting equipment (as applicable)
- Certification for crane operators

### **Work Instructions**

Detailed test procedures complete with WI/ JHI shall be developed by Contractor and mutually agreed to by Operator consistent with manufacturer’s specifications and prudent operational standards.



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## **Marine Systems and Operations**

### ***Objective***

Demonstrate that the marine systems and operations are working correctly, are fit for their intended purposes and meet Class requirements and meet design specifications.

### **Items to be verified**

- Vessel Management System (e.g.: consistent displays, chronic alarms, operator competency )
- Inspection of life saving equipment (e.g., life jackets, rings, beacons, etc.)
- Lifeboats — launching, running and recovery)
- Life rafts
- Helideck — e.g.: outfitting, drains
- Helpful system
- Marine certification where applicable
- Water tight integrity
- Damage stability
- Ballast system
- Drains
- On load / off load pot water, drill water and diesel fuel
- Bilge system
- Waste management (e.g., segregation, recycling, hazardous waste handling including waste oil)
- Paint locker — in compliance with hazardous area classification
- Hazardous areas in compliance with their respective classifications
- Support utilities - Compressed air: Service, bulk, engine start, fuel oil; Hydraulic and Pneumatic valve control systems;
- Navigation lights and foghorn
- Electronic navigation systems
- Pollution control measures, SOPEP, MARPOL, etc.

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- Emergency preparedness
- Internal/external communication
- Flag State and Class Certification
- Mooring winch system

**Work Instructions**

Detailed test procedures complete with WI/JHI shall be developed by Contractor and mutually agreed to by Operator and consistent with manufacturer’s specifications and prudent operational standards.

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## **Fire & Gas System**

### ***Objective***

Demonstrate the fire and gas system is fully operable, working correctly and fit for its intended purpose and that the ballast control operator knows what actions to take in the event of an alarm condition.

### **Items to be verified**

- Crew competency in the event of an alarm condition
- Random tests of gas detectors, CH<sub>4</sub> and H<sub>2</sub>S
- Random test of manual call points
- Random test of flame detectors
- Random test of heat detectors
- Random test of smoke detectors
- Fire alarm annunciation (e.g., PAGA — is it audible from all spaces)
- PAGA interface with 3<sup>rd</sup> party equipment

### **Work Instructions**

Detailed test procedures complete with WI/ JHI shall be developed by Contractor and mutually agreed to by Operator consistent with manufacturer’s specifications and prudent operational standards.

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## **Fire Protection**

### ***Objective***

Demonstrate the fire protection system is fully operable and fit for its intended purpose.

### **Items to be verified**

- Fire and gas plans
- Fire pumps
- Helideck foam system
- Random check of hydrants and hose reels
- Visual inspection of fire fighting equipment, e.g., deluge, monitors, water mist system, etc.
- Integrity of fire rated bulkheads
- Ventilation dampers
- Portable fire extinguishers
- Fire fighting team competency and their equipment
- Breathing air for SCBA bottles
- Fire escape PPE
- Ingress and Egress routes are identified, clear and unobstructed
- 3<sup>rd</sup> party equipment
- Escape packs

### **Work Instructions**

Detailed test procedures complete with WI/ JHI shall be developed by Contractor and mutually agreed to by Operator consistent with manufacturer’s specifications and prudent operational standards.

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## **Communication Systems**

### ***Objective***

Demonstrate that the communication and data highways are working correctly and are fit for their intended purposes and meets design specification.

### **Items to be verified**

- Radio — UHF, VHF, GMDSS
- VSAT, IMARSAT
- Telecoms — intrarig
- Drillers talkback
- Independent line between moon pool, drill floor and DPO
- Clear call system
- PAGA
- Data — IT (LAN): Verify system is functioning
- Document control

### **Work Instructions**

Detailed test procedures complete with WI/ JHI shall be developed by Contractor and mutually agreed to by Operator consistent with manufacturer’s specifications and prudent operational standards.

CONFIDENTIAL TREATMENT REQUESTED. INFORMATION FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED IS OMITTED AND MARKED WITH “[\*\*\*]”. AN UNREDACTED VERSION OF THE DOCUMENT HAS ALSO BEEN FURNISHED SEPARATELY TO THE SECURITIES AND EXCHANGE COMMISSION AS REQUIRED BY RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

## **Galley & Living Quarters**

### ***Objective***

Ensure accommodations equipment and processes are working correctly and are fit for their intended purposes, ensuring the living quarters’ safety and habitable standards.

### **Items to be verified**

- Hospital facility
- Sprinkler system
- Station bills
- Galley fire fighting equipment
- Smoke hoods
- Potable water system
- Catering equipment
- Food storage facilities
- Hygiene standards
- Sanitary system — grey & black water
- Laundry equipment
- HVAC
- Waste segregation and handling (e.g., food and sanitary)
- Entertainment system

### **Work Instructions**

Detailed test procedures complete with WI/ JHI shall be developed by Contractor and mutually agreed to by Operator consistent with manufacturer’s specifications and prudent operational standards.

CONFIDENTIAL TREATMENT REQUESTED. INFORMATION FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED IS OMITTED AND MARKED WITH “[\*\*\*]”. AN UNREDACTED VERSION OF THE DOCUMENT HAS ALSO BEEN FURNISHED SEPARATELY TO THE SECURITIES AND EXCHANGE COMMISSION AS REQUIRED BY RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

## **Drilling Unit Management Systems**

### ***Objective***

Verify that Drilling Unit management systems and processes are working correctly and are fit for their intended purposes.

### **Items to be verified**

- Preventative Maintenance System
- Document control
- Software Control & Management of Change
- Management of Change
- Safety Management System
- Environmental Management System
- IMO - International Safety Management Code
- Class documentation
- Stability software
- Electronic IADC reporting

### **Work Instructions**

Detailed test procedures complete with WI/ JHI shall be developed by Contractor and mutually agreed to by Operator consistent with manufacturer’s specifications and prudent operational standards.

## Certification of Chief Executive Officer

I, Brian F. Maxted, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kosmos Energy Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2013

/s/ BRIAN F. MAXTED

Brian F. Maxted

*Director and Chief Executive Officer*

*(Principal Executive Officer)*

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**Certification of Chief Financial Officer**

I, W. Greg Dunlevy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kosmos Energy Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2013

/s/ W. GREG DUNLEVY

W. Greg Dunlevy

*Executive Vice President and Chief Financial Officer*

*(Principal Financial Officer)*

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**Certification of Chief Executive Officer  
Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the accompanying quarterly report of Kosmos Energy Ltd. (the "Company") on Form 10-Q for the quarter ended June 30, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian F. Maxted, Director and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2013

/s/ BRIAN F. MAXTED

Brian F. Maxted

*Director and Chief Executive Officer*

*(Principal Executive Officer)*

*A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.*

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**Certification of Chief Financial Officer  
Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002)**

In connection with the quarterly report of Kosmos Energy Ltd. (the "Company") on Form 10-Q for the quarter ended June 30, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, W. Greg Dunlevy, Chief Financial Officer and Executive Vice President of the Company, hereby certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2013

/s/ W. GREG DUNLEVY

W. Greg Dunlevy

Chief Financial Officer and Executive Vice President

(Principal Financial Officer)

*A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.*

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