

TERMS AND CONDITIONS FOR THIRD PARTY USE OF INSTALLATIONS

(Presented in the context of a tie-in and processing agreement)

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APPENDICES (to be supplemented by the Groups)

APPENDIX A:	RESERVED CAPACITY
APPENDIX B:	DELIVERY/REDELIVERY SPECIFICATIONS
APPENDIX C:	MEASUREMENT, TESTING, SAMPLING, ALLOCATION, REALLOCATION AND VALUE ADJUSTMENT
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APPENDIX F:	TECHNICAL DESCRIPTION TIE-IN
APPENDIX G:	DESIGN CHANGE PROCEDURE
APPENDIX H:	DEFERRAL

Explanation:

[] = to be filled out by the Groups

[with text] = to be filled out by the Groups – text is a proposal only

This Agreement is made and entered into on the date hereof by and between:

[name of the operator] on behalf of the [Host Group]

and

[name of the operator] on behalf of the [Tie-in Group],

hereinafter respectively referred to as the Host- Group and the Tie-in Group.

[Whereas the Tie-in Group desires to have the Tie-in Facilities tied into the Host Facilities,

Whereas the Tie-in Group desires to deliver Tie-in Wellstream for processing and redelivery of Export Petroleum,

Whereas the Host Group desires to perform such tie-in and to provide necessary services in accordance with the terms and conditions of this Agreement,

Whereas, the terms and conditions have been agreed according to the Regulation relating to the use of facilities by others (“forskrift om andres bruk av innretninger”) dated 20 December 2005,

Other to be agreed]

Now therefore, the Groups have agreed as follows:

1 DEFINITIONS

The following words and terms used in the Agreement shall, unless otherwise expressly specified in the Agreement, have the following respective meanings:

1.1 “Affiliate” shall mean

- a) any enterprise which directly or indirectly holds more than fifty (50) per cent (%) of the share capital or votes, or in any other way directly or indirectly exercises a controlling interest in a Licensee, or
- b) any enterprise in which a Licensee directly or indirectly holds more than fifty (50) per cent (%) of the share capital or votes, or in any other way directly or indirectly exercises a controlling interest, or
- c) any enterprise of which more than fifty (50) per cent (%) of the share capital or votes are held directly or indirectly or which in any other way directly or indirectly is controlled by one or more enterprise(s) which hold directly or indirectly more than fifty (50) per cent (%) of the share capital or votes, or in any other way directly or indirectly exercises a controlling interest in a Licensee.

1.2 “Agreement” shall mean this agreement including all appendices attached hereto, as subsequently amended from time to time.

1.3 “Barrel” or “bbl” shall mean the volume of forty-two (42) US gallons measured at sixty (60) degrees Fahrenheit at 1 atmosphere. To convert between Barrels at sixty (60) degrees Fahrenheit and Standard Cubic Metres at fifteen (15) degrees Celsius, the following standard, as modified from time to time, shall be used: ASTM D 1250-80, Volume XI, Table 3 and Table 4.

1.4 “Calendar Year” shall mean a period of twelve (12) consecutive months, commencing on 1st January at 00:00 hours, and ending on the following 31st December at 24:00 hours.

1.5 “Commencement Date” shall mean a date according to Article 10.

1.6 “Commissioning” shall mean activities required to verify the functioning and/or integrity of the Tie-in Facilities, Incremental Equipment and or the Host Facilities that are necessary for the provision of the Services as outlined in the Article 11 and the Functional Requirements.

- 1.7 **“Contract Year”** shall mean the period beginning at 06:00 hours on 1st October of any Calendar Year and ending at 06:00 hours on 1st October in the following Calendar Year.
- 1.8 **“Delivery Point(s)”** shall mean [].
- 1.9 **“Export Petroleum”** shall mean processed [Gas, Oil, Condensate] to be redelivered at the Redelivery Point(s) expressed in [] allocated to the Tie-in Group.
- 1.10 **“Functional Requirements”** shall mean the requirements as further described in Appendix D and/or E.
- 1.11 **“Gassled”** shall mean the transportation and processing system described in "Terms and conditions for transportation of Gas in Gassled", appendix B (Transportation System Description), as amended from time to time.
- 1.12 **“GLBA”** shall mean a Gas Lifting and Balancing Agreement.
- 1.13 **“Group(s)”** shall mean the Host Group and/or the Tie-in Group.
- 1.14 **“Host Group”** shall mean the joint venture consisting of the licensees of Production Licence [] currently participating in the joint venture with the following participating interests:
- and their successors or permitted assignees
- 1.15 **“Host Facilities”** shall mean the [Host platform etc], and all installations connecting them including but not limited to the wells and subsea facilities, as modified, expanded and/or added to from time to time.
- 1.16 **“Host Field”** shall mean the hydrocarbon deposits within the boundaries of production licences [] designated under the name [] and such other hydrocarbon reservoirs being in communication therewith.
- 1.17 **“Host Platform”** shall mean the [], as modified, expanded and/or added to from time to time.
- 1.18 **“Host Safety Zone”** shall mean the restricted zone surrounding the Host Facilities according to Norwegian legislation and regulation.

- 1.19 **“Incremental Equipment”** shall mean all new equipment at the Host Facilities including modification to existing equipment, as further described in Appendices D and E.
- 1.20 **“LIBOR”** shall mean for US Dollars the London Interbank Offered Rate as published electronically by Reuters. At the date of signing this Agreement the relevant Reuters page is LIBOR01.
- 1.21 **“Month”** shall mean any calendar month.
- 1.22 **“NIBOR”** shall mean Norwegian Interbank Offered Rate for Norwegian kroner ("NOK") as published daily and electronically by Reuters at or about 12.00 p.m. Oslo time. At the date of signing this Agreement the relevant Reuters page is NIBP.
- 1.23 **“Operator(s)”** shall mean the operator of the Host Group and/or the operator of the Tie-in group as the case may be.
- 1.24 **“Licensee(s)”** shall mean each participating company or all participating companies in the Host Group and/or the Tie-in Group, as the case may be.
- 1.25 **“Production Licence” or “PL”** shall mean production licence No. [] and/or production licence No [], as the case may be.
- 1.26 **“Quarter”** shall mean three (3) consecutive Months commencing on 1st January, 1st April, 1st July or 1st October.
- 1.27 **“Redelivery Point(s)** shall mean [Gas, Oil, Condensate]
- 1.28 **“Reserved Capacity [Gas, Oil, Condensate]”** shall mean the reserved capacity at the Host Facilities expressed as a daily rate [] as described in Appendix A.
- 1.29 **“Scheduled Number of Shutdown Days”** shall mean the duration of a scheduled maintenance shutdown period at the Host Facilities which would have been the case if no agreement was entered into between the Tie-in Group and the Host Group, as determined and, if requested by the Tie-in Group, reasonably documented by the Host Group.
- 1.30 **“Services”** shall mean the services described in Article 11.

- 1.31 **“Standard Cubic Metre (Sm³)”** shall mean the quantity of crude oil or natural gas or water at fifteen (15) degrees Celsius and at absolute pressure of one point zero one three two five one (1.013251) bar which occupies the volume of one (1) cubic metre.
- 1.32 **“Tie-in Group”** shall mean the joint venture consisting of the licensees of Production Licence [] currently participating in the joint venture with the following participating interests:
- and their successors or permitted assignees.
- 1.33 **“Tie-in Facilities** shall mean [new or existing facilities owned by the Tie-in Group] with the exception of the Incremental Equipment.
- 1.34 **“Tie-in Field”** shall mean the hydrocarbon deposits within the boundaries of Production Licenc(es) [] designated under the name [] as further defined in the PDO dated [dd.mm.yyyy] [and such other hydrocarbon reservoirs being in communication therewith.]
- 1.35 **“Tie-in Operation”** shall mean the activities conducted in connection with the tie-in of the [] to the Host Facilities as further outlined in Appendix F and Article 3.
- 1.36 **“Tie-in Point(s)”** shall mean [name of pipeline, etc.] as further described in Appendix F.
- 1.37 **“Tie-in Wellstream”** shall mean the [entire] wellstream produced and exported from the Tie-in Field and delivered to the Host Group for processing as further described in this agreement.
- 1.38 **“Work”** shall mean [design, engineering, procurement, fabrication, construction, installation, hook-up, modifications to existing equipment, mechanical completion, pre-commissioning, Commissioning] related to the [Tie-in Operation, Incremental Equipment etc] as further described in Appendices D, E and F.
- 1.39 **“Working Day”** shall mean any day except Saturday and Sunday on which banks are open in Norway for the transaction of normal banking business.

2 INTERPRETATION

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

3 TIE-IN OPERATION

- 3.1 The Tie-in Group shall, at its own cost and expense be responsible for and perform or cause to be performed, all Work related to the Tie-in Facilities and the Tie-in Operation.

To the extent that any Work under this Article is performed by the Host Group, all costs incurred and documented by the Host Group shall be paid for by the Tie-in Group.

- 3.2 The Tie-in Group shall ensure that all marine operations and subsea interventions within the Host Safety Zone are performed in full compliance with the regulations and procedures for such operations, including restrictions put in place by the Host Group, being in effect at the time such operations are performed, and shall obligate any contractor performing such operations to abide by such regulations and procedures and make such regulations and procedures part of any contract for the laying or installation of relevant part of the Tie-in Facilities and the Tie-in Operation.
- 3.3 Upon reasonable notice to the Tie-in Group the Host Group shall have the right to review, inspect and approve all Work within the Host Safety Zone. Such approval shall not be unreasonably withheld. The Host Group shall not be under any duty whatsoever to ensure the accuracy, correctness or completeness of such Work.
- 3.4 The Groups shall each appoint a representative who shall co-ordinate the planning and implementation of marine and subsea operations. The representatives shall have the right to be on board any vessel in the Host Facilities Safety Zone used during installation of the Tie-in Facilities and/or during the Tie-in Operation.
- 3.5 The Host Group shall, unless otherwise agreed between the Groups, perform the Tie-in Operation on behalf of the Tie-in Group.

The Tie-in Group shall upon reasonable notice, have the right to reject the performance of and/or to suspend the Tie-in Operation, or parts thereof, unless such rejection and/or suspension is in conflict with health, safety and/or environmental (HSE) requirements at the Host Facilities as solely decided by the Host Group. Any and all consequences following from the Tie-in Group exercising such right to reject and/or suspend the Tie-in Operation shall be at the cost and risk of the Tie-in Group. If a rejection or a suspension may lead to a delay of the agreed Commencement Date which would jeopardize other business opportunities as determined by the Host Group, the Host Group may at its sole discretion, terminate the Agreement.

4 INCREMENTAL EQUIPMENT

- 4.1 The Host Group shall, at the Tie-in Group's cost and expense, perform or cause to be performed, all work related to the Incremental Equipment. All costs incurred and documented by the Host Group, shall be paid for by the Tie-in Group.

Functional Requirements, scope of Work, performance of Work and split of responsibilities for said requirements and performances are described in Appendices D and E.

- 4.2 The Groups shall co-operate in all matters related to the Work. The Host Group shall reasonably ahead of the start of the Work related to the Incremental Equipment, establish procedures for such co-operation.
- 4.3 The Host Group shall keep the Tie-in Group properly informed regarding the progress of all activities related to the Incremental Equipment. The Host Group shall, without undue delay, notify the Tie-in Group of events leading to possible changes in the current time schedule and cost estimates.
- 4.4 The Host Group shall at an appropriate time provide the Tie-in Group with a non-binding budget and time schedule including project interfaces and a phasing of expenditures for investments in the Incremental Equipment with subsequent payments to be made by the Tie-in Group to the Host Group. The Tie-in Group shall have the right to review and comment upon such budget and time schedule.
- 4.5 The Host Group shall provide copies of all completed design documents regarding Incremental Equipment to the Tie-in Group for review and approval. Such approval shall not be unreasonably withheld.
- 4.6 The Host Group shall perform, or cause to be performed, the Work in a cost-efficient manner to the benefit of the Tie-in Group and the Host Group. The Tie-in Group shall provide assistance as may be reasonably required by the Host Group for work related to the Incremental Equipment. Such assistance shall be provided free of charge.
- 4.7 The Incremental Equipment, the Tie-in Facilities and the Tie-in Operation shall conform to the standards required by applicable laws and/or regulations in force at the time of signature of this Agreement.
- 4.8 In the event that a contractor of the Host Group fails to perform any part of its obligations under a contract or purchase order related to the Incremental Equipment, the Host Group shall, in consultation with the Tie-in Group, enforce all applicable contractual provisions to remedy such failures.

- 4.9 Proposals from either Group to change the design basis and/or the Work as described in Appendix D and/or E shall be handled according to the design change procedure described in Appendix G.

5 SHUTDOWN OF THE HOST FACILITIES

- 5.1 All Work and other activities related to the Tie-in Operation, the Incremental Equipment and/or activities related to installation of the Tie-in Facilities that require total or partial shutdown of the Host Facilities or any parts thereof shall to the extent possible, as determined by the Host Group, be performed within the Scheduled Number of Shutdown Days. Such work shall have priority after work carried out for the Host Group, but priority before any third party who has entered into an agreement with the Host Group after the Agreement was executed.
- 5.2 If the actual number of shutdown days exceeds the Scheduled Number of Shutdown Days, or if curtailment of production occurs, and this is caused by the activities described in Article 5.1 above, or if such activities require a dedicated total or partial shutdown, then the Tie-in Group shall compensate the Host Group for any costs, expenses and losses, including deferred or lost production caused by such excess or dedicated shutdown or production curtailment.

Procedures for calculating compensation for lost or deferred production are described in Appendix H.

6 COMMISSIONING

7 CONDUCT OF WORK

The Groups shall conduct themselves pursuant to this Agreement in a reasonable and prudent manner, and in accordance with all relevant standards, rules, regulations, procedures, manuals and training programmes and generally accepted petroleum industry and engineering practices.

The Groups shall, to the extent necessary, co-operate in all aspects of the required Work. The required Work shall be carried out in a manner that minimises the number of shutdown days, or other impact on the ongoing operation of the Host Facilities or impact on operations related to the Tie-in Facilities.

In the event of activities which can only be performed when operation of the Host Facilities is suspended, as judged solely by the Host Group, the Groups shall endeavour to perform such activities during a period of planned shutdown.

8 RIGHT OF ACCESS

The Tie-in Group shall, at its sole cost, risk and expense, have the right upon giving the Host Group reasonable notice and subject to available accommodation at the Host Facilities, to inspect all work related to the Tie-in Operation and the Incremental Equipment at the Host Facilities and the operation thereof. The Host Group shall, at the Tie-in Group's sole risk and expense arrange transportation to and from and accommodation at the Host Facilities.

9 TITLE, DEPRECIATION AND TAX ALLOWANCES

- 9.1 The title to the Incremental Equipment shall be passed to the Host Group free of charge upon completion of Commissioning.
- 9.2 The Tie-in Group shall retain the right of depreciation and tax allowances with respect to all investments related to Incremental Equipment and paid by the Tie-in Group in accordance with this Agreement.
- 9.3 If for any reason the Groups' agreement regarding distribution of tax depreciation and tax allowances according to this Article is changed by the authorities to the benefit of the Host Group, the two Groups agree to negotiate a settlement in good faith.

10 COMMENCEMENT DATE

11 SERVICES

11.1 The Host Group shall perform the following services to the Tie-in Group:

[receipt, handling, processing, storage, redelivery, power supply, fire water, utilities, etc]

11.2 The Host Group shall be entitled to suspend or restrict the Services for reasons including, but not limited to:

- a) Reasons of safety, health, environment and any other bona fide operational reasons at the Host Facilities - including for the avoidance of doubt, any mechanical failure of the Host Facilities and facilities downstream of the Host Facilities;
- b) Scheduled maintenance of the Host Facilities, as decided solely by the Host Group. During [month], for any Calendar Year preceding a planned shutdown of the Host Facilities, the Host Group shall consult the Tie-in Group regarding the dates during which scheduled maintenance is planned to be carried out during the next Calendar Year. The Host Group shall give due regard to any comments made by the Tie-in Group. Before the end of each relevant Calendar Year the Host Group shall notify the Tie-in Group of the dates upon which scheduled maintenance will be performed during the next Calendar Year;
- c) Repair and extraordinary maintenance of the Host Facilities which cannot reasonably be transferred to a planned maintenance period;
- d) Export Petroleum not being and/or not going to be satisfactorily evacuated from the Host Facilities and is hindering or is likely to hinder the efficient and safe operation of the whole or any part of the Host Facilities;
- e) The total amount of hydrocarbons entering any part of the Host Facilities being less than the minimum amount of hydrocarbons required to operate the Host Facilities;
- f) Work related to tie-in of fields or pipelines. The Host Group shall use reasonable endeavours to perform such tie-ins during scheduled maintenance of the Host Facilities and if this is not reasonably possible the Host Group shall perform such work so as to minimise the shutdown periods and to cause as few disruptions as possible to the Services provided to the Tie-in Group. However, such shutdown periods shall not exceed [with letters] (with digits) days for any Calendar Year for fields. The Host Group shall consult the Tie-in Group in advance regarding the timing of any tie-in operation of fields or pipelines.

12 RESERVED CAPACITY

13 EXCESS CAPACITY

- 13.1 In the event that the Tie-in Group on a daily basis requires processing capacity in excess of capacity available in accordance with Article [] the Host Group shall use reasonable endeavours to accommodate such excess capacity requirement to the extent and for as long as sufficient capacity is available in the Host Facilities. The Host Group shall, however, not be obliged to accommodate any excess capacity to the detriment of its own production and/or any third party commitments. Said excess capacity shall be provided under the same terms and conditions as set out herein. An operating procedure shall be established for booking of excess capacity on a daily basis.
- 13.2 [terms for excess capacity on a permanent basis may be negotiated up front].
- 13.3 [terms for excess capacity for new deposit not in direct communication with the Tie-in Field, but located substantially within the boundaries of PL [] may be negotiated up front].

14 DELIVERY, RECEIPT AND REDELIVERY

- 14.1 The Tie-in Group shall deliver [all] Tie-in Wellstream to the Host Group at the Delivery Point(s) in accordance with this Agreement.
- 14.2 The Host Group shall receive [all] Tie-in Wellstream, complying with the specification set out in Appendix B, from the Tie-in Group at the Delivery Point(s) in accordance with this Agreement.
- 14.3 The Host Group undertakes to process and handle Tie-in Wellstream which complies with the specifications and redeliver Export Petroleum as set out in Appendix B.
- 14.4 If the Tie-in Wellstream delivered at the Delivery Point does not comply with the specification set out in Appendix B the Group first being aware of such off-spec deliveries shall immediately notify the other Group. The Host Group shall be entitled forthwith to suspend or curtail the Services and shall immediately provide notice to such effect to the Tie-in Group.

The Tie-in Group shall indemnify and hold the Host Group harmless from and against direct losses, costs, damages and/or expenses caused as a result of such off-spec delivery of Tie-in Wellstream.

- 14.5 Whenever in the sole opinion of the Host Group, acceptance of Tie-in Wellstream that does not comply with the specification as set out in Appendix B would not be detrimental to the operation of the Host Facilities or transportation system(s) immediately downstream of the Host Facilities and/or processing and/or storage facilities as determined by the operator(s) of such transportation system(s) and/or storage facilities and would not materially affect the commercial value of other hydrocarbon fluids or gas in such systems, and the Operator of the Tie-in Group has on behalf of the Tie-in Group notified that the Tie-in Group accepts redelivery of Export Petroleum which does not comply with the specifications at the Redelivery Point(s), the Host Group shall use reasonable endeavours to accept such Tie-in Wellstream. Any documented incremental costs and/or expenses incurred as a result of the acceptance of such off-spec Tie-in Wellstream shall be borne by the Tie-in Group. The Host Group shall, to the best of its knowledge, notify the Tie-in Group of such incremental costs and/or expenses in advance and such notified incremental costs and/or expenses shall only be used as preliminary figures. The Tie-in Group shall provide the Host Group with all possible information regarding the quality of Tie-in Wellstream that does not comply with the specification set out in Appendix B.

- 14.6 Redelivery of Export Petroleum as allocated in accordance with Appendix C, shall be made by the Host Group at the Redelivery Point(s) in accordance with the specification set out in Appendix B. The Tie-in Group shall take redelivery of such Export Petroleum in accordance with relevant lifting procedures.
- 14.7 If the Tie-in Wellstream delivered at the Delivery Point(s) complies with the specifications set out in Appendix B, but the Export Petroleum redelivered at the Redelivery Point(s) does not meet the redelivery specifications as set out in Appendix B, and the commingled stream is curtailed or shut in due to an off-spec situation or any costs or charges are claimed by the downstream operator due to such off-spec situation, the Host Group shall indemnify and hold the Tie-in Group harmless from and against direct losses, costs, damages and/or expenses arising therefrom.

15 OPERATING PROCEDURES

The Groups may from time to time agree on relevant operating procedures for performances under this Agreement without amending the Agreement.

16 PRODUCTION PLANNING

- 16.1 For the purpose of production planning, and as the Groups may reasonably require in order to fulfil their obligations under this Agreement, the Groups shall provide each other with production programmes comprising short-term and long-term forecasts and schedule for planned shutdowns. The Groups shall promptly notify each other about any change that has caused or is likely to cause a significant variance in production.
- 16.2 The Operator of the Tie-in Group shall also provide the Operator of the Host Group with copies of relevant production programmes that the Tie-in Group submits to relevant transportation system operators to enable the Operator of the Host Group to plan redeliveries of Export Petroleum.

- 17 MEASUREMENT, TESTING, SAMPLING, ALLOCATION, RE-
ALLOCATION AND VALUE ADJUSTMENT
- 17.1 Measurement, testing, sampling, allocation, re-allocation and value adjustment shall be performed in accordance with relevant law and regulations and in accordance with fair and prudent principles and standards, which shall be established six (6) months prior to Commencement Date and set out in Appendix C.
- 17.2 The Host Group shall upon request from the Tie-in Group give notice reasonably in advance to enable the Tie-in Group to witness the calibration and meter proving and to observe the operation of all relevant equipment and/or facilities used for measurement, testing, sampling, allocation and value adjustment. The Host Group shall also furnish to the Tie-in Group, at its request and for its audit, any and all metering data and other test information applicable to said equipment and/or facilities, reasonably necessary to verify the measurement, testing, sampling, allocation, reallocation and value adjustment. Audits by the Tie-in Group shall be at the Tie-in Group's own cost and expense.

18 TARIFFS AND COMPENSATION

19 FUEL AND FLARE GAS

The Tie-in Group shall provide in kind and free of charge, or pay for if it does not contribute in kind, its allocated share of fuel gas, including flare gas, which is required for processing of Tie-in Wellstream and redelivery of Export Petroleum. The fuel and flare quantities shall be allocated to the Tie-in Group based on its pro rata share of actual throughput through the Host Facilities, in accordance with Appendix C.

20 PAYMENT, DEFAULT, AUDIT RIGHTS AND ACCOUNTING

- 20.1 The Tie-in Group is responsible for preparing its own accounts in compliance with Norwegian rules and regulations and in compliance with good accounting practice. The Host Group shall prepare a separate account for the Work. The billing and statements of the Host group shall be sufficiently detailed to meet these requirements. The Host Group shall also furnish the Tie-in Group with such information as it may reasonably request in connection with its own keeping of accounts.

Promptly following the end of each Month, the Host Group shall invoice the Tie-in Group for all costs due under this Agreement. The invoice shall be sufficiently specified and shall, as appropriate, specify:

- a) share of costs related to the Work
- b) unit tariffs and quantities for which the unit tariffs shall apply
- c) share of operating expenses
- d) share of taxes, duties or fees
- e) share of costs related to allocated fuel which has not been contributed in kind
- f) [other]

The Tie-in Group shall pay the Host Group the amounts due within fifteen (15) Working Days of receipt of the invoice, such payment to be made by electronic transfer to the bank account of the Operator of the Host Group, as notified to the Tie-in Group Operator from time to time, quoting the invoice number against which payment is made. The interest credit/charge is to be calculated on the Operator's internal accounts showing daily cash balances per currency according to the "Regnskapsavtale for Petroleumsvirksomhet" attached to the production licences awarded in the [] licensing round.

The Host Group shall have the right to request cash advances from the Tie-in Group for estimated capital expenditures. The Host Group shall avoid accumulating unnecessary cash balances from cash advances.

The Host Group has the right to add [2.5%] to cover corporate management and general research and development costs to all costs charged to the Tie-in Group in connection with the Tie-in Operation and/or the Incremental Equipment. For the sake of good order, the Operator of the Tie-in Group shall not have the right to charge an additional mark-up for such corporate management and general research and development costs as have been charged by the Host Group's Operator under this Article.

No corporate management cost and general research and development cost shall be charged to the Tie-in Group on tariffs related to the Services.

- 20.2 The Tie-in Group shall, except in the event of manifest error, pay the said invoices without deduction whether or not any part of, or all of, the amount of the invoice is disputed. Any late payment shall accrue interest at an annual rate equal to NIBOR plus three (3) percentage points. For foreign currencies interest shall be at an annual rate equal to LIBOR for the relevant currencies plus three (3) percentage points.
- 20.3 Without prejudice to any other remedies available hereunder or by law if the Tie-in Group fails to pay any invoice in whole or in part and such failure continues for a period of thirty (30) days after payment should have been made in accordance with Articles 20.1 and 20.2 above, the Host Group shall be entitled to suspend the [the Work, Services, etc].
- 20.4 Prior to suspension of the [the Work, Services, etc] in accordance with Article 20.3 above, the Tie-in Group shall be given fifteen (15) days notice to pay the overdue amount including any interest incurred thereon and thereby correct the default. However, suspension may be effectuated immediately in accordance with Article 20.3 above in the event it is evident that the Tie-in Group will not or cannot pay the overdue amount.
- 20.5 The Licensees of the Tie-in Group shall, upon notice in writing to the Operator of the Host Group, have the right to conduct periodic audits of all of the Host Group Operator's books, records, accounts, correspondence, instructions, specifications, drawings, receipts and other information insofar as they relate to the Work and/or to charges made pursuant to this Agreement up to two (2) Calendar Years after the Calendar Year during which such charges were made. The Host Group shall store such information for no less than two (2) Calendar Years after the final invoice from the Host Group to the Tie-in Group pursuant to this Agreement has been submitted and in compliance with the applicable laws and regulations. The Licensees of the Tie-in Group shall reasonably co-ordinate the performance of their audit. The Licensees of the Tie-in Group shall cover all costs in respect of such audits.
- 20.6 Principles laid down in "Regnskapsavtale for Petroleumsvirksomhet" as attached to the production licences awarded in the [] licensing round shall apply unless otherwise specified in this Agreement.

21 TAXES, DUTIES AND FEES

- 21.1 Taxes, duties and other fees, such as CO₂ duty or similar duty imposed by the authorities, assessed in connection with the burning of petroleum and emission of natural gas from the Host Facilities shall be charged to the Tie-in Group in accordance with the fuel and flare gas quantities allocated to the Tie-in Group according to the pro rata use of relevant equipment necessary for the provision of Services.
- 21.2 The Tie-in Group shall pay its proportionate share of all other existing or future taxes, duties, investments, and/or any other burdens imposed by the authorities, with the exception of corporate tax, petroleum tax and/or area fee, attributable to the [Work , Services, etc.] provided by the Host Group to the Tie-In Group pursuant to this Agreement.

22 NEW REGULATIONS

If, at any time after the date of signature of this Agreement, more onerous standards are required related to the Host Facilities in accordance with applicable laws and/or regulations, then the Host Group shall, after consultation with the Tie-in Group, modify, and/or add to, the existing Host Facilities in order to meet the more onerous standards. The Tie-in Group shall, if relevant to the [Work, Services, etc.] cover a share of the cost of such modifications and/or additions to the Host Facilities in proportion to its share of expected remaining wellstream of all users of the Host Facilities according to the latest official production profiles submitted to the Norwegian Petroleum Directorate.

The Tie-in Group hereby, in order to secure the payment of all amounts due hereunder, including any interests accrued thereon grants to the Host Group a first and prior lien upon their interest in the Tie-in Wellstream, and the Export Petroleum in the care, custody or control of the Host Group for application against such indebtedness to the extent of the amount due. Such lien may be exercised only if such indebtedness is more than thirty (30) days overdue. Any such Tie-in Wellstream, and Export Petroleum retained by the Host Group for such purposes may be sold by the Host Group on a reasonable commercial basis under the existing circumstances and the amounts received (after sales costs, if any) shall be credited against the indebtedness. The Host Group shall notify the Tie-in Group prior to any such sale.

If any indebtedness of the Tie-in Group to the Host Group is more than thirty (30) days overdue, the Host Group may retain thereafter any property or funds belonging to the Tie-in Group which are in the care, custody or control of the Host Group for application against such indebtedness to the extent of the amount due including interest, transportation costs and costs of disposal applicable to such property. Any such property retained by the Host Group for such purposes may be sold by the Host Group on a reasonable commercial basis under the existing circumstances, and the amounts received (after sales costs, if any) shall be credited against the indebtedness. The Host Group shall notify the Tie-in Group prior to any such sale.

The Tie-in Group shall have the right to prevent the Host Group from retaining and selling as provided for above by furnishing the Host Group with a satisfactory bank guarantee for any amount due.

The Tie-in Group warrants title to all Tie-in Wellstream delivered hereunder and that all Tie-in Wellstream delivered by the Tie-in Group hereunder is free from all liens, claims, taxes, assessments and encumbrances of any kind and nature. The Tie-in Group shall indemnify the Host Group against all suits, judgments, actions, debts, accounts, damages, costs, losses and expenses arising from or out of any adverse legal claims of any and all persons to or against said Tie-in Wellstream. The Host Group shall, within a reasonable time after receiving notice of the assertion of any such lien or adverse claim, notify the Tie-in Group of such fact and shall permit it to participate in the defence (if any) against such lien or adverse claim.

The Host Group warrants that products redelivered by the Host Group hereunder is free from all liens, claims, taxes, assessments and encumbrances of any kind and nature. The Host Group shall indemnify the Tie-in Group against all suits, judgments, actions, debts, accounts, damages, costs, losses and expenses arising from or out of any adverse legal claims of any and all persons to or against said redelivered products. The Tie-in Group shall, within a reasonable time after receiving notice of the assertion of any such lien or adverse claim, notify the Host Group of such fact and shall permit it to participate in the defence (if any) against such lien or adverse claim.

25 LIABILITIES

Except as otherwise specified in this Agreement, the following shall apply with respect to liability between the Groups:

- 25.1 The Host Group shall indemnify and hold the Tie-in Group, its Licensees' Affiliates, its agents, its contractors and subcontractors and the employees of the foregoing parties, harmless from and against any loss, damage or expense arising out of any claim for:
- a) injuries to or death of any employee of the Host Group, its Licensees' Affiliates, its agents, its contractors and/or subcontractors,
 - b) loss of, or damage to the property of the Host Group, its Licensees' Affiliates, its agents, its contractors and/or subcontractors and/or the employees of the foregoing parties, and
 - c) all consequential losses which include but are not limited to loss of profit to the Host Group, its Licensees' Affiliates, its agents, its contractors and/or subcontractors and/or the employees of the foregoing parties,
- arising out of or in connection with the performances under this Agreement, except when such claim is a result of gross negligence or wilful misconduct of the managerial and/or supervisory personnel of the Tie-in Group.
- 25.2 The Tie-in Group shall indemnify and hold the Host Group, its Licensees' Affiliates, its agents, its contractors and subcontractors and the employees of the foregoing parties, harmless from and against any loss, damage or expense arising out of any claim for:
- a) injuries to or death of any employee of the Tie-in Group, its Licensees' Affiliates, its agents, its contractors and/or subcontractors,
 - b) loss of or damage to the property of the Tie-in Group, its Licensees' Affiliates, its agents, its contractors and/or subcontractors and/or the employees of the foregoing parties, and
 - c) all consequential losses which include but are not limited to loss of profit to the Tie-in Group, its Licensees' Affiliates, its agents, its contractors and/or subcontractors and/or the employees of the foregoing parties,
- arising out of or in connection with the performances under this Agreement, except when such claim is a result of gross negligence or wilful misconduct of the managerial or supervisory personnel of the Host Group.
- 25.3 Notwithstanding Articles 25.1 and 25.2, the Tie-in Group shall indemnify and hold the Host Group, the Affiliates of the Licensees of the Host Group, its agents, its contractors and subcontractors and the employees of the foregoing parties, harmless from and against any loss, damage or expense arising out of any claim for:
- a) injuries to or death of any employee of the Host Group, its Licensees' Affiliates, its agents, its contractors and/or subcontractors,

- b) loss of or damage to the property of the Host Group, its Licensees' Affiliates, its agents, its contractors and/or subcontractors and/or the employees of the foregoing parties, and
- c) all consequential losses which include but are not limited to loss of profit to the Host Group, its Licensees' Affiliates, its agents, its contractors and/or subcontractors and/or the employees of the foregoing parties,

arising out of the performances under this Agreement during the period from the date of this Agreement up to and including the date being three (3) months after the Commencement Date or three (3) months after the date when the Tie-in Field is in regular production, whichever is the latest, except when such claim is a result of gross negligence or wilful misconduct of the managerial and/or supervisory personnel of the Host Group.

The total liability under this Article 25.3 for the Tie-in Group shall in sum be limited to one hundred (100) million US dollars per occurrence or series of occurrences.

- 25.4 With respect to claims made by other third parties (other than the Affiliates of the Licensees, agents, contractors, subcontractors and employees as mentioned in Articles 25.1 and 25.2) arising out of the performances under this Agreement, the Group causing such claim shall indemnify and hold the other Group, its Licensees' Affiliates, its agents, its contractors and/or subcontractors and/or the employees of the foregoing parties, harmless from and against any loss, damage and/or expense arising out of any such claim.
- 25.5 Notwithstanding anything to the contrary in this Article above, the Tie-in Group shall indemnify and hold the Host Group, the Affiliates of the Licensees of the Host Group, its agents, its contractors and subcontractors and the employees of the foregoing parties, harmless from and against any loss, damage and/or expense arising out of any claim made by other third parties (other than agents, contractors and subcontractors and their employees as mentioned in Articles 25.1 and 25.2), arising out of the performance under this Agreement during the period from the date of this Agreement up to and including the date being three (3) months after the Commencement Date or three (3) months after the date when the Tie-in Field is in regular production, whichever is the latest, except when such claim is a result of gross negligence or wilful misconduct of the managerial and/or supervisory personnel of the Host Group.

The Host Group and the Tie-in Group shall insure or self-insure their respective liabilities hereunder (or have equivalent coverage) and shall cause their respective agents, contractors and subcontractors to procure and maintain with respect to and for the duration of this Agreement insurance policies to cover their respective liabilities hereunder. All such policies shall, to the extent obtainable, provide for a waiver of all rights of recovery or subrogation against the Host Group and the Tie-in Group respectively, their Licensees' Affiliates, their agents and their contractors/subcontractors, as the case may be, and the respective employees of the aforesaid, it being the intention that the insurance so effected shall protect all Groups and be primarily liable for any or all losses covered by such insurance.

The Host Group and the Tie-in Group may require that the other Group forwards documentation proving that the other Group has insured or self-insured its respective liabilities hereunder, or has equivalent coverage, in accordance with the requirements of this Agreement.

All premium and deductibles shall be for the account of the respective Group subscribing the insurance.

27 FORCE MAJEURE

- 27.1 The Groups shall be relieved from liability for failure to perform any of their obligations hereunder, except in relation to obligations to make payments due or indemnify, for the period occasioned by any circumstances which are beyond their reasonable control and which could not have been reasonably foreseen by such Group at the time this Agreement was entered into ("Force Majeure"), provided that the Group seeking relief hereunder shall forthwith:
- a) notify the other Group of the event causing the failure and with reasonable diligence furnish all available information about the cause of the event and estimate the time required to remedy the failure, and
 - b) take all reasonably practicable steps to rectify the circumstances preventing the performance of its obligations immediately after those circumstances arise and to minimise the damage caused thereby, but shall not be obliged to settle any labour dispute except in such manner as it shall in its judgement consider fit.
- 27.2 Events constituting Force Majeure shall include, but not be limited to laws and other acts of governmental authority, strikes, lockouts, civil disturbance and terrorist acts, war, fire, explosions, failure of fuel gas, inability to obtain labour, machinery, supplies or contractors, freezing and failure or breakdown of or accident to machinery and/or equipment at production facilities and/or any part of the transportation system and/or any downstream receiving terminal(s).
- 27.3 Failure of the Tie-in Field reservoir to produce as forecast shall not constitute an event of Force Majeure.
- 27.4 If a Force Majeure event has exceeded or is reasonably estimated by the Groups to exceed a period of six (6) consecutive months, then the Groups shall meet to discuss how to remedy the situation, including a possible termination of the Agreement.

28 EXCHANGE OF INFORMATION AND CONFIDENTIALITY

- 28.1 The Groups shall at all times give each other such available information as may be necessary or useful to enable each Group to exercise its rights and carry out its obligations under this Agreement.
- 28.2 Confidential information shall be held confidential by the Groups, and shall mean all information which a Group has acquired from the other Group either directly or indirectly in connection with this Agreement, except information falling into any of the following categories:
- a) Information which, at the time of disclosure hereunder, is lawfully part of the public domain;
 - b) Information which, after disclosure hereunder, enters the public domain, except where such entry is the result of a breach of this Agreement;
 - c) Information, other than that obtained from third parties, which was already in the possession of the disclosing Group prior to disclosure hereunder and which was either without limitation on disclosure or which subsequently becomes free of such limitation;
 - d) Information obtained by a Group from a third party who is lawfully in possession of such information and who is not subject to a contractual or fiduciary relationship with the other Group or its Licensees or a Licensee's Affiliate with respect to said information. Such information may be used or disclosed in accordance with the terms under which it was provided by such third party.
- 28.3 Each Group represents that it has policies and procedures designed to protect confidential information. Confidential information shall not be disclosed to any third party, unless otherwise agreed, except for disclosure to a Licensee's Affiliate, professional consultants, financial institutions, insurance companies or a bona fide potential purchaser of a participating interest in the Host Field or the Tie-in Field respectively, provided that a confidentiality agreement is entered into with said professional consultants, financial institutions, insurance companies or bona fide potential purchaser containing the same terms and conditions as contained in this Article. Confidential information disclosed pursuant to this clause shall be held strictly confidential by the recipient on the same terms as set out herein.
- 28.4 Nothing herein shall prevent a Licensee from disclosing information when such disclosure is required by applicable laws, rules or regulations or by the rules or regulations of any stock exchange on which a Licensee's shares or the shares of its Affiliate are listed or by the Securities and Exchange Commission of the United States of America.

29 PUBLIC ANNOUNCEMENTS

Public announcement or publication of any information with respect to this Agreement may only be made with the prior written approval of the other Group, unless required by applicable law, rules or regulations. Such approval shall not be unreasonably withheld.

30 ASSIGNMENT

The Licensees of the Host Group and the Tie-in Group may assign its participating interest in PL [] and PL [] respectively, without consent of the other Group
Any third party becoming a licensee to PL [] or [] shall be bound by this Agreement at the point in time when such party has obtained title to the relevant licence(s).

31 ABANDONMENT

- 31.1 The Host Group shall be responsible for the removal or other disposal of the Host Facilities and relevant equipment owned by Host Group as may be required by applicable laws, regulations and licence terms, and shall bear all costs and expenditures for or related to the removal or other disposal of the same and shall indemnify and hold harmless the Tie-in Group for costs and expenditures related to such work.
- 31.2 The Tie-in Group shall be responsible for the removal or other disposal of the Tie-in Facilities and relevant equipment owned by the Tie-in Group, as may be required by applicable laws, regulations and license terms, and bear all costs and expenditures for or related to the removal or other disposal of the same, and shall indemnify and hold harmless the Host Group for costs and expenditures related to such works.

32 DURATION

- 32.1 This Agreement shall be effective from the date hereof and shall remain in effect until terminated in accordance with the provisions below or until the expiry of the relevant licence period(s) of the Host Group, including any extended licence period, or until the expiry of the relevant licence period(s) for the Tie-in Group, including any extended licence period(s), whichever comes first.
- 32.2 If the Tie-in Group decides to permanently cease production from the Tie-in Field, the Tie-in Group shall forthwith give the Host Group at least twelve (12) months prior notice thereof, including a planned date of final production, and this Agreement shall terminate on the date of such final production, unless otherwise agreed.
- 32.3 If the Host Group decides to permanently cease operation of any relevant part of the Host Facilities, it shall forthwith give the Tie-in Group at least twelve (12) months prior notice thereof, and the Host Group shall have the right to terminate this Agreement on the date of final operation of such relevant part of the Host Facilities. If the Tie-in Group wishes, the Groups shall co-operate and endeavour to obtain a right for the Tie-in Group beyond the date of cessation of the Host Group's operation of the relevant Host Facilities, to operate and use the relevant Host Facilities as may be necessary for processing the Tie-in Wellstream at the Tie-in Group's cost and expense.
- 32.4 Articles [title, depreciation, tax allowances, liability, confidentiality, abandonment, governing law, jurisdiction] shall survive any termination of the Agreement.

33 ENTIRE AGREEMENT – AMENDMENTS

This Agreement is the entire agreement between the Groups and supersedes all prior representations, arrangements, understandings and agreements between the Groups with respect to the matters covered herein, whether oral or written.

Any amendment to this agreement shall be in writing. Amendments to, exceptions from or supplements to this Agreement shall be submitted to the Ministry of Petroleum and Energy for approval.

Notices pursuant to this Agreement shall be sent in writing. Notices may be communicated by delivery, mail, facsimile or electronic mail. Any such notice, given as aforesaid, shall be deemed to have been given or received at the time of delivery if delivered by hand, at the time at which confirmation of successful delivery is received if sent by facsimile or electronic mail, and on the fifth working day next following the day of sending if sent by prepaid first class post.

The use of electronic mail for the transfer of documents shall at all times be in accordance with internationally recognised standards. The chosen standard shall enable the use of digital signatures or similar electronic safety device, encryption as well as filing and retrieving.

Notices and other communications shall be given in English or Norwegian, and shall be dispatched to the most recently stated business addresses of the Operator of the other Group and/or electronic mail addresses and/or telefax numbers.

35 CONDITIONS PRECEDENT

This Agreement is subject to

- necessary governmental approval by [dd.mm.yyyy] acceptable to the Groups;
- [other]

36 APPLICABLE LAW, CONFLICT RESOLUTION AND JURISDICTION

This Agreement shall be governed by and construed in accordance with Norwegian law.

The Groups shall act in good faith and at all times endeavour to resolve any dispute between themselves in connection with or arising out of this Agreement.

In the event that a dispute cannot be solved amicably by negotiations, the Groups shall attempt to settle the dispute by mediation. If the Groups agree to refer the matter to mediation, the rules of Den Norske Advokatforening for mediation by lawyer shall apply. In the event the Groups cannot agree on the appointment of the mediator, the General Secretary of Den Norske Advokatforening shall appoint the mediator. The place for mediation shall be agreed by the Groups.

Disputes which cannot be settled according to the procedures described above, shall be referred to arbitration in [], Norway in accordance with the Norwegian Arbitration Act of 14 May, 2004, No. 25, as amended from time to time. The arbitration and all communication and documentation associated therewith, including the award shall be confidential.

Documents and statements in Norwegian and English shall be allowed in any arbitration procedure. Translation thereof shall be at the expense of the Group requiring such translation.

Executed in three (3) originals of which the Groups and the Ministry shall have one each.

[place], [dd.mm.yyyy]

On behalf of the Host Group

On behalf of the Tie-in Group

[Operator]

[Operator]