**ATTACHMENT D – ACCOUNTING AGREEMENT**

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ARTICLE 1 GENERAL PROVISIONS

*1.1 Definitions*

The definitions included in the main body of the Agreement shall also apply to this Attachment D, as appropriate. In addition, the following definitions shall apply:

1. “The Three Largest Operators”: The three largest operators on the Norwegian Continental Shelf based on Pensionable Income in the year prior to the calculation year. If several affiliated Companies are operators on the Norwegian Continental Shelf, these shall jointly be counted as one operator.
2. “Joint Property” shall mean equipment acquired for the Unit Operations and fixed property subordinated the Agreement.
3. “General Research and Development” shall mean projects (in accordance with the definition of "Research and Development" adopted by Norsk Forskningsråd) that are carried out by or under the direction of the Operator. The projects shall be beneficial to the upstream operations and be charged to the Operator.
4. “Corporate Management” shall mean that part of the Operator's top management, or as appropriate, Affiliated Companies' top management, that is directly engaged in upstream-related activities.
5. “Non-operators” shall mean the Parties to the Joint Operating Agreement other than the Operator.
6. “Indirect cost” shall mean cost that cannot be directly charged to a single Unit Operation.
7. “Industry Forum”: The forum described in Article 2.3.
8. “Internal booking rates” are the rates established by the Parties for use in translation of foreign currencies into Norwegian Kroner.
9. “Corporate Staff” shall mean the following of the Corporate Management’s staff activities: accounting and economics, tax, information technology, internal and external information, health/safety/environment, finance, insurance, internal audit and human resources/organization
10. “Material” shall mean all equipment and supplies acquired for use in the Unit Operations.
11. “Pension Age”: The age that gives the entitlement to a retirement pension according to the National Insurance Act unless a lower pension age has been implemented by the relevant Operator provided this is not lower than permitted by the Act relating to Occupational Pension Schemes or any corresponding relevant legislation or regulation (at the entering into of this Agreement, such age is 67 years for land based personnel and 65 years for offshore based personnel working on the Norwegian Continental Shelf.)
12. “Pensionable Salary”: The sum of paid salary, wages and remuneration comprised by Articles 2.1.2.1 and 2.2.1 and which is pensionable salary to the employees of an operator.
13. “Projected Benefit Obligation”/”PBO”: The net present value of projected future pension payments under the Relevant Pension Scheme which are gained the year in which the calculation is made. The calculation methods applied in the latest available adopted annual accounts according to Norwegian accounting rules shall be applied.
14. “Relevant Pension Scheme”: The Operator’s pension schemes based on Pension Age.
15. “The Year’s Pension Accruals” (Service Cost): The net present value per 1 January of projected future pension payments relating to services during the year for which the calculation is to be made under a Relevant Pension Scheme for each of the Three Largest Operators’ employees who are temporarily or permanently employed in the Unit Operations. The calculation methods applied in the latest available adopted annual accounts according to Norwegian accounting regulations shall be applied.

*1.2 Cash requirements – Advances*

*1.2.1 General provisions*

At least 10 days prior to the beginning of each month, the Operator shall submit to the Non-operators a 3 month forecast, specified by month, of estimated cash requirements.

Upon request, the Non-operators shall advance their share of estimated cash requirements

for the following month. The Operator shall submit a written request for advances at least

15 days prior to the due date. The due date shall be set by the Operator, but shall be no

earlier than the first working day of the month for which the advances are requested.

Notwithstanding the terms of Article 1.2.3, the Operator shall avoid accumulating

unnecessary cash balances from cash advances.

To avoid build-up of such cash balances, substantial cash advances may be divided into two

payments to coincide with disbursements.

The prognosis for cash requirements and the request for cash advances shall specify the

currencies in which the advances are to be made. Cash advances shall be called in currency

when the Operator is obliged to make a payment in that currency exceeding more than the

equivalent of NOK 50 mill annually. The amount may be altered by the management

committee.

If the advance payments prove insufficient, the Operator may make a written request for

additional advances. Such request shall state which expenditures the unpredicted payments refer to. The due date shall be set by the Operator, but shall at the earliest be set at 5

working days after the receipt of the request.

If the actual monthly need for cash proves to be significantly less than the advances called

for, the Operator shall refund the excess amounts as soon as possible, unless the Parties

agree to transfer the amount to the following period. If the Operator sees that the cash

requirement will be reduced before due date, the Parties shall be so informed through a

revised cash call to the extent this is feasible.

The difference between the monthly cash advances and the actual payments in each

currency shall be stated, and the next request for advances shall be adjusted accordingly.

Where the total cash requirement is less than NOK 5 million a month, the Operator is not

required to make cash calls. The amount may be altered by the management committee.

If the Operator has made no request for advance payments, the Non-operators shall pay their

proportionate share of the actual monthly payments within 15 days after receipt of the

Operator's billing with request for payment.

*1.2.2 Interest on late payments*

Payments of advances or billings shall be made on or before the due date thereof. If they are

not so paid, the unpaid balance shall carry interest for each month or pro-rata portion

thereof, in accordance with the following:

Interest is due for the period starting on and including the due date of payment and ending

on, but excluding, the value date for payment.

For NOK the interest shall be calculated at an annual rate equal to three months' Norwegian

Interbank Offered Rate (NIBOR) as quoted daily by Reuters page NIBP at 12:00 noon, as

per the due date of payment, plus three percentage points.

For Euro the interest shall be estimated at an annual rate equal to three months'

EUROLIBOR as quoted daily on Reuters page LIBOR 01 at 11:00 A.M. London time, as

per the due date of payment, plus three percentage points.

For other currencies the interest shall be estimated at an annual rate equal to three months'

London Interbank Offered Rate (LIBOR) for the relevant currencies as quoted by Reuters

page LIBOR 01 at 11:00 A.M. London time, as per the due date of payment, plus three

percentage points.

If the rates for certain currencies are not published by Reuters, the rates quoted by the

largest bank at the clearing centre of the relevant currency shall be used as reference.

Interest on late payments shall be proportionally distributed to the Parties financing the

default.

*1.2.3 Interest on cash balances*

Interest is to be credited/charged on the Parties' daily cash balances with the

Operator (positive and negative).

This interest credit/charge is to be calculated on the Operator's internal accounts showing

daily cash balances per currency called and/or arising from the use of separate bank

accounts for the Unit Operations.

The Operator's contribution shall be credited on the due day of payment for the cash call.

Interest and other conditions shall in principle correspond to the conditions that a company

with a similar cash flow would obtain in a first-class bank, but not less than those

corresponding to the interest obtained by the Operator. The following two alternatives shall

be considered as equal:

ALTERNATIVE 1:

The rate of interest shall be determined on a three month basis and be linked

to a relevant Interbank Rate:

Group 1: NOK – NIBOR (3 months) + 1,0 % / - 1,0 %

Group 2: EUR – EUROLOBOR (3 months) + 0,5%/- 0,5%

Group 3: Others (e.g. USD, GBP)

-LIBOR (3 months) + 0,5 % / - 0,5 %

NIBOR is defined as:

A one month average of this month for three months' "Norwegian Interbank Offered Rate"

as quoted by Reuters page NIBP at 12:00 noon. For the day or days when such rates are not

available, three months' NIBOR from Den norske Bank, Oslo, quoted the day before the

relevant day of quotation, shall be used. If the above-mentioned NIBOR quotations are

based on 365/360 days, the rate shall be multiplied with the fraction 365/360 to reflect the

Norwegian principle of calculating the interest rate in 360/360 or 365/365 days. In

calculating the monthly average, quotations given with four decimals shall be used.

LIBOR/EUROLIBOR is defined as:

A one month average of this month for three months' "Euro Currency Interest Rate" as

quoted by Reuters page LIBOR 01 at 11:00 A.M. London time. For the day or days when

such rates are not available, three months' LIBOR for the currency in question from Chase

Manhattan Bank, London, quoted the day before the relevant day of quotation, shall be

used. In calculating the monthly average, quotations given with four decimals shall be used.

The above-mentioned interest rate shall be amended if there is a discrepancy between the

base of the interest rate and the calculation principles regarding the days of interest.

ALTERNATIVE 2:

If the Operator has established separate bank accounts for licence cash balances (covering

one or more licences), the interest earned/paid by the Operator shall be allocated to the

Parties based on the Operator's and the Non-operators' actual deposits in these accounts.

Both the Operator and the Non-operators shall pay to such accounts according to cash calls.

The calculation of interest shall be based on the Non-operators' daily cash balances with the

Operator, or on the basis of an average cash balance calculated for each month, or on the

basis of formulas reflecting the build-up of daily cash balances, and on the quarterly

balance. The amount of interest shall be specified under "Financial items" in the accounts,

no later than the month after the expiry of the period. The day of payment shall be

determined on the same credit/debit principles, no later than the first day in this following

month.

*1.3 Statements and billings*

*1.3.1 General provisions*

Each Party is responsible for preparing its own accounts in compliance with Norwegian

rules, regulations and in compliance with good accounting practice. The Operator's billings

and statements shall be sufficiently detailed to meet these requirements. The Operator shall

also furnish the Non-operators with such other information as they may reasonably request

in connection with their own keeping of accounts.

The Operator shall furnish the Non-operators with a chart of accounts and a brief

description of its accounting procedures. The Non-operators shall be informed of significant

amendments thereto.

The Joint Account shall be kept in NOK, and it is presupposed that none of the Parties shall

entail a gain or loss at the expense of or to the benefit of the other Parties due to exchange or

conversion of currencies.

On conversion of foreign currency expenditures to Norwegian kroner the Operator is

entitled to use Internal booking rates, based on sales rates as distributed by Den norske Bank

or other places of notification as proposed by the Operator and approved by the Non-operators.

When the Operator makes cash calls in foreign currencies, Internal booking rates shall also

be used for the receipt and disbursement of such currencies. When Internal booking rates

are changed, the NOK value of the balance in other currencies shall be adjusted at the same

time. To facilitate control, adjustment of Internal booking rates should only be made at the

end of the month.

Payments in foreign currencies which have not been called by the Operator, shall be booked

at the actual rate as charged by the bank. If payments are made from the Operator's own

currency accounts, payments are to be booked at sales rates as distributed by Den norske

Bank or other places of notification as proposed by the Operator and approved by the Non-operators two working days prior to the value date.

The difference in NOK between the amounts charged to expenses and amounts paid in

foreign currencies and translated to NOK in accordance with the Internal booking rate, shall

be debited or credited by the Operator to an exchange gain or loss account maintained for

the Joint Account (agio and disagio).

Within 15 days after the end of each month, the Operator shall furnish the Non-operators

with the information listed below. If this time limit proves too short, the Operator shall

immediately make an estimation of cost for each budget group and forward this to the Non-operators. If activities for the Joint account is low, the management committee may decide

that account statements shall be sent to Non-operators 15 days after each calendar quarter

only.

a) A statement of expenditures showing all charges and credits to the Joint account,

summarized by appropriate classifications which coincide with approved budget

classifications, indicating the nature thereof and including the total amount of provisions

and accruals separately identified. This statement shall also contain accumulated figures

from the beginning of the Year as compared to the budget. For investments, accumulated

figures from the commencement of the investments shall be given.

b) A statement showing the joint liabilities and receivables.

c) A statement showing each Party's advance payments in the respective currencies and the

corresponding shares of payments made for the month and for the accumulated figures.

d) Detailed specifications of unusual charges and credits, including audit adjustments to be

separately identified.

e) Information concerning the exchange rates applied.

f) A statement showing each Party's share of draws on joint export credits paid directly to

suppliers of goods and services.

The Operator's progress reports in accordance with the Joint Operating Agreement Article

13 shall include budget progress reports and summary of AFE's.

*1.3.2 Interest on recalculations*

If the Operator charges/credits the Unit Operation with provisional recalculations for this

year and recalculations for a previous year, the Unit Operation shall be charged/credited

interest on these. The interest shall be calculated from the time it should have been

charged/credited, or from 1 July that Year, until the time when the interest is charged/

credited the Unit Operation. The interest rate shall be equal to the average of 3 months'

NIBOR, based on a representative 3 months' average, cf. Article 1.2.3, Alternative 1,

but without any interest margin.

*1.3.3 Corrections*

The Operator shall carry out corrections of debits/credits as soon as possible, and at the

latest within 24 months after expiration of the relevant financial year. The interest shall be

calculated from the point in time when it should have been debited/credited, or from 1 July

of that year, to the day it is debited/credited the Joint Account. The interest rate shall be

equal to the average of 3 months' NIBOR, calculated in accordance with Article 1.2.3,

Alternative 1, but without interest margin.

*1.3.4 Relinquishment of Production Licences*

The Operator may charge the Joint Account only for expenses necessary to properly wind

up the activities after the Production Licence has been surrendered. Unless otherwise

agreed, this shall take place within 6 months following the month of surrender. Debits/

credits stemming from post calculations, corrections or audits shall carry interest in

accordance with Article 1.2.3, Alternative 1 and be charged the Non-operators in a separate

statement.

*1.4 Audits*

*1.4.1 General provisions*

A Non-operator shall have the right to audit the accounts, ledgers, records and documents

relating to the Unit Operations, within a 24-month period following the end of each

Financial Year, unless the Parties have agreed to extend this period. The Operator shall give

the auditors access to all Operator's systems, documents, data and other information

necessary for the audit and shall allow a general assessment of the Operator's control

procedures and systems as far as these are relevant to the Unit Operations. The Operator

shall also ensure that the audit is performed efficiently and without unnecessary delay.

Further, the auditors shall have access to records and facilities necessary to review and

appraise the cash management procedures according to Article 1.2 and the procedures used

in awarding contracts and purchasing.

The Operator and the other Non-operators shall have at least 30 days written notice before

the planned commencement of an audit.

The Non-operators shall conduct the audit simultaneously and in a manner resulting in a

minimum of inconvenience to the Operator. If the Non-operators agree, audits should be

performed by a joint audit group.

For operators with more than one operatorship, the Non-operators and Operator may agree

with other non-operators in other joint ventures with the same operator to carry out joint

audits of Indirect cost and joint charging systems that are common to all operatorships.

Under such an agreement these charges shall be excluded from the dedicated audit of the

Unit Operations. The provisions in Articles 1.4.1.1 and 1.4.1.2 shall also apply to such joint audits.

*1.4.1.1 Audit report*

A written report (audit report) shall be sent to all Parties within 3 months of the conclusion

of the audit.

The report shall include a summary of all issues reviewed by the auditors with relevant

comments to the handling of accounts and vouchers. Before the written report is distributed

to all Parties, unresolved audit matters shall be dealt with in writing and in at least one

meeting. Unresolved audit matters shall be dealt with in a solution-oriented dialog between

the Operator and the audit team who perform the audit on behalf of the Non-operators.

Signed minutes of the meeting shall be attached to the written report when it is forwarded to

all Parties. An agreed closing date for the audit shall be stated in the minutes of the meeting.

If the report is not submitted within the time-limit, the Non-operators shall loose their right

to take exceptions to the Operator’s charges to the Joint Account. Exceptionally, and where

special reasons exist, the Non-operators may by a written notification to the Operator extend

the time-limit to submit the report by a new short time-limit that may not exceed 15 working

days.

1.4.1.2 *Treatment of unresolved audit claims*

The Operator shall give a written reply to the report within 3 months of the receipt thereof.

If a Non-operator has comments to the Operator’s written reply, such comments shall be

submitted in writing. The Operator shall give a written reply to the comments. Unresolved

audit claims shall be dealt with in a dialog between the Operator and the Non-operators with

a view to finding an agreed solution.

Should the Operator fail to give a written reply to the report within 3 months of the time it

was received, the Operator shall forfeit its right to make objections to audit claims in the

report. Exceptionally, and where special reasons exist, the Operator may by a written

notification to the Non-operators extend the time-limit to submit its reply by a new short

time-limit that may not exceed 15 working days.

Should any unresolved audit claim not be settled within 9 months from the Operator

received the written report, the Operator shall:

1. List the unresolved audit claim on the agenda for the next ordinary management committee meeting and together with the notice of the meeting give a written summary of the communication and treatment of the unsettled audit claim(s),
2. in case of a joint audit of the Operator’s Indirect costs and cost allocation systems that are common to all operatorships convene the Partner forum for dealing with unresolved audit claims.

A party may propose the use of a jointly appointed independent expert to give an opinion on

unsettled audit claims or an alternative simplified dispute solution for the solution of any

unresolved audit claim. Such decision requires unanimous agreement among the Parties.

*1.4.1.3 Interest and costs*

Any adjustments between the Unit Operation and the Operator or other Unit Operations

resulting from an audit shall be credited/debited interest according to Article 1.2.3,

Alternative 1, but without interest margin. The interest shall accrue from the day the

debit/credit was made or, if there is unclarity with regard to this point in time, from 1 July of

the Year the debit/credit was made, until the day the correction is debited/credited to the

Unit Operation.

The Operator shall bear no portion of the cost in connection with the audit unless otherwise

agreed.

*1.4.2 Audit of cost for General Research and Development*

General Research and Development as delimited in Article 2.2.2 shall not be subject to

partner audit. The Operator’s state authorized public accountant shall submit an attestation

that cost for general Research and Development have been charged according to Article

2.2.2 of this Agreement.

*1.4.3 Audit of Corporate Management and Corporate Staff cost*

Expenses covered by the percentage for Corporate Management and Corporate Staffs in

Article 2.2.3 shall not be subject to an audit. Expenses of an extraordinary nature that are

charged directly according to the same Article may be subject to an audit.

*1.4.4 Audit of standard rates for Affiliated Companies*

Standard rates for personnel and services for Affiliated companies that are

charged directly shall not be subjected to a full audit. The Operator's state

authorized public accountant shall present an attestation that these are cost

based and in compliance with this Agreement.

To the extent Affiliated companies carry out and are responsible for

substantial activities that are chargeable to the Joint Account, such cost is fully

auditable.

*ARTICLE 2 CHARGES TO THE JOINT ACCOUNT*

All expenditures necessary to properly conduct of the Unit Operations shall be charged to the Joint Account. The charges shall be fair in relation to the nature and extent of the Unit Operations and shall be adequately documented.

At the end of each month the Operator shall make provisional charges for cost incurred, but not yet booked. Such provisional charges shall be reversed the following month.

Expenditures shall include, but are not necessarily limited to:

*2.1 Direct Charges*

*2.1.1 Procurement of goods and services*

Goods and services that are purchased shall be charged to the Joint Account at the net

amount invoiced after deduction of discounts and bonuses, including transport to the joint

area and other related cost such as loading and unloading, dock charges, insurance, duty and

freight etc.

*2.1.2 Personnel*

*2.1.2.1 Salaries and social cost*

Salaries and social cost for employees of the Operator and its Affiliated companies directly

engaged in the Unit Operation, whether temporarily or permanently assigned. Social cost

includes expenses incurred in accordance with laws and tariff agreements, as well as other

cost and allowances pursuant to common oil industry practice.

*2.1.2.2 Transportation of employees*

Transportation of employees that are needed for the performance of the Unit Operation.

*2.1.2.3 Relocation cost*

Relocation cost for employees to locations from which the Unit Operation is carried out.

Relocation cost back to the place from where the employee was moved, except when,

according to normal practice, such relocation cost will be attributable to other Joint

Operations. Such cost shall include transportation of employees' families and their personal

effects and all other relocation cost in accordance with the Operator's normal practice.

*2.1.2.4 Restructuring cost*

Before the Operator may make any charge to the Joint Account for restructuring cost,

including cost for retirement before the Pensionable Age (“early retirement”) and severance

pay, such charge shall be approved by the management committee pursuant to the

provisions of the Unit Operations Agreement. For the discussion in the management

committee, the Operator shall show the probable cost effect of the measures for the Joint

Operation. To the extent the Operator makes probable that the cost will entail savings for

the Parties, the Parties shall be obligated to approve the charge to the Joint Account.

For those cases where the Operator makes probable that the activity shall cease or be

substantially reduced, and the Operator proposes a necessary restructuring as the

consequence of this, the Parties shall be obligated to approve the charge to the Joint

Account in the management committee.

Restructuring cost shall be charged to the Joint Account as a discounted non-recurring

amount. Charging may take place when a binding agreement (s) has/have been entered into

or when the employment of the relevant employee(s) with the Operator ceases.

The cost shall be charged to the Unit Operation concerned. If the restructuring concerns

several of the Operator’s Unit Operations, the cost shall be apportioned pro rata between

the relevant Unit Operations’ Joint Accounts based on their relative share of the last three

years hourly charges.

*2.1.3 Pension and common pension increment*

*2.1.3.1 Debiting of the pension increment*

The pension liability rests with the Operator as the employer. The Operator's pension

expenses shall be charged to the Joint Account according to Article 2.1.3. With the

exception of employer's national insurance contributions and any implementation

differences (Article 2.1.3.2), restructuring costs (Article 2.1.2.4) and early retirement

(Article 2.1.3.3) such charge shall be paid to the Operator that makes a cash call for a

percentage increment of the Pensionable Salary (the “Percent Add-on”). The Percent Addon

is the final settlement of the accrued pension obligations covered by the Percent Add-on

in the period.

*2.1.3.2 Calculation of the Pension Increment*

The Percent Add-on shall be determined by the Industry Forum each year prior to 1

September for the following year, cf. Article 2.3. The Percent Add-on shall be calculated

such that each of the Three Largest Operators first calculates their individual percent addons,

and thereafter the Percent Add-on will be calculated. The individual percent add-on

shall be calculated as follows:

1. Each of the Three Largest Operators shall use the Year’s Pension Accruals, interest-adjusted with 6 months, divided on expected Pensionable Salary in the year when the calculation is made. The discounting interest shall be used at the interest adjustment.
2. Each of the Three Largest Operators shall use Pensionable Salary, their own population data and data related to rights according to the Relevant Pension Scheme with Pensionable Age as the basis for calculating the individual percent add-on. Pensionable Salary and data per 31 December of the year before the calculations are made shall be used.
3. Each of the Three Largest Operators shall calculate its individual Percent Add-on based on its economic parameters for discount rate, salary adjustments, adjustment of the base amount of the national insurance and pension adjustments stipulated for financial accounting purposes. The latest available adopted annual accounts according to Norwegian accounting principles shall be applied.
4. Each of the Three Largest Operators shall use its own assumptions relating to termination of employment prior to the Pension Age. The assumptions on which the last available adopted annual accounts according to Norwegian accounting principles are based shall be used.
5. Each of the Three Largest Operators shall calculate its individual Percent Add-on based on common tariffs related to mortality and disability determined according to Article 2.3.2 as well as other demographic assumptions of the individual Operator.

The Percent Add-on shall be calculated by weighing the Three Largest Operators’

individual Percent Add-ons based on their relative share of the Three Largest Operators’

total expected Pensionable Salary in the year in which the calculation is made. The result of

the weighing with the addition of an administration mark-up of 0.4 percentage points shall

constitute the Percent Add-on. The Percent Add-on shall be rounded up or down to the

nearest figure with one decimal’s precision. No risk mark-up shall be included in the

calculation of the individual percent add-ons or the Percent Add-on.

Employer's national insurance contribution s shall not be added to the Percent Add-on, but

be charged according to the cash principle.

A non-recurrent effect resulting from a change in the Accrued Pension Obligation

(implementation difference) may be debited/credited if the balance between the Parties is

disturbed based on the principle in the last sentence in Article 4.1 of the Unit Operation

Agreement and this is due to either:

* Amended legislation or
* Changes in the tariffs referred to in Article 2.1.3.2 v. above.

The Operator shall also be entitled to debit/credit implementation differences during

statutory transitional periods prior to the mandatory coming into effect of amended

legislation. Before such debiting/charging may take place, the Operator shall submit a plan

with a justification of debiting/charging to the Industry Forum with a view to achieving

agreement on the plan. Should the members of the Industry Forum not reach agreement, the

Operator may decide at which point in time in the transitional period the implementation

difference shall be debited/charged.

The implementation difference shall be calculated by the Operator's actuary and may be

checked by the actuary associated to the Industry Forum. The non-recurrent effect shall be

calculated by the Operator and shall constitute the difference between Accrued Pension

Obligation before and after the change.

*2.1.3.3 Early retirement schemes*

Costs related to:

1. Early retirement schemes based on a collective agreement as defined in the Act relating to Labour Disputes (e.g. the early retirement scheme agreed between the Norwegian Confederation of Trade Unions and the Confederation of Norwegian Enterprise and other schemes for offshore personnel based on similar age), or
2. An early retirement scheme agreed as part of the employee’s employment terms and which does not form part of a restructuring process, or
3. Individual cases due to illness or labour disputes may be charged to the Joint Account by the Operator without any special discussions in the management committee. The Joint Account shall be charged with a discounted nonrecurring amount at the time when employment of the relevant employee(s) with the Operator is terminated.

The costs shall be charged the Joint Operation involved. If the restructuring involves several

of the Operator's Unit Operations, the costs shall be divided pro rata on the relevant Joint

Operations’ Joint Accounts based on their relative share of the last 3 Years’ time writing.

*2.1.3.4 Transitional arrangement*

In respect of employees of the Operator that when this Agreement enters into force have

already terminated their employment with the Operator under a scheme as stated in 2.1.3.2

above, the Operator may charge the Joint Account with a discounted non-recurring amount.

*2.1.4 Material and services from Operator, Non-operator or Affiliated companies*

1. Material   
     
   All cost relating to acquisition and storing of Material owned by the joint venture and the operating cost of the joint venture's storing facility, shall be charged to the Joint Account. In case of Material being borrowed by other joint ventures, the borrower shall replace the Material unit by unit in accordance with a separate agreement.   
     
   Material being transferred to the Operator's common storing facility shall be charged according to the average acquisition cost or the agreed price. Used Material suitable for reuse after reconditioning may be re-allocated to stock cf. Article 3.1. The Material shall then be classified as new.  
     
   The average purchase cost for Material shall include the cost of buying and storing such Material, as well as reasonable interest and dead stock.
2. Services  
     
   Technical and other services including, but not limited to, laboratory analyses, drafting, geological and geophysical interpretation, engineering, cost of gas sales activities, research, data processing and accounting for the direct benefit of the Unit Operation, shall be charged to the Joint Account at actual cost, provided such cost does not exceed the cost that would have incurred if such services were performed by external consulting and service companies.
3. Equipment and facilities  
     
   Use of equipment and facilities shall be charged to the Joint Account at rates that include direct operating and maintenance cost, reasonable depreciation cost and interest on depreciated investments. Such rates shall not exceed those currently prevailing in the area of operation. Calculation of rates shall be documented upon request. If equipment and facilities are used for other operations, the cost shall be allocated according to the actual use in the period.

*2.1.5 Damage to or loss of Joint property*

Expenses necessary for the repair or replacement of damaged or lost Joint property shall be

charged to the Joint Account and classified in a way that indicates the nature of the expense.

To the extent such damage or loss is covered by a joint insurance, insurance settlements

shall be credited accordingly.

The Operator shall as soon as practicable give the Non-operators written notice of any

damage or loss of importance, and any other information which the Non-operators need for

insurance purposes.

*2.1.6 Insurance*

a) Net premiums for insurance required by law or regulations or which have been decided by

the management committee to be part of the Joint cost of the parties.

b) Actual expenditures incurred in the settlement of indemnities which are not

recoverable from the insurance.

*2.1.7 Legal assistance*

All cost concerning the handling of claims and disputes arising in connection with

the Joint operation, including expenses for legal advice and other assistance in

connection with the evaluation of such claims and disputes, conciliation board

proceedings and conduct of cases, as appropriate. No charge in excess of NOK

250.000 may be made for services rendered by the legal staff of the Operator for a

single case without the prior approval of the Non-operators.

This limit may be changed by the management committee.

*2.1.8 Taxes, duties and levies*

All taxes, duties, levies of any kind levied by the Norwegian authorities, except

income and capital taxes.

*2.1.9 Offices, bases and miscellaneous facilities*

Net cost of establishing and operating any offices, sub-offices, operating bases and other

facilities or properties exclusively serving the Unit Operation. If facilities or properties also

serve other purposes than the Unit Operation, the net cost shall be allocated fairly between

the different operations in accordance with normal distribution criteria.

*2.1.10 Execution of decisions concerning disposal*

Cost related to the execution of a decision concerning disposal made in accordance with the

legislation applicable at any time, including pre-engineering and administrative expenses.

*2.2 Indirect cost*

*2.2.1 General*

Indirect cost is cost related to organizational units/functions which are by nature indirect, e.g.:

* Corporate management;
* Support and staff functions such as economy and finance, personnel, organisational, legal and joint service functions;
* Indirect functions in operational departments;
* Indirect cost of Affiliated companies.

Moreover, cost can be indirect according to their nature, and may include financing cost and

depreciation, office leasing and communications cost.

Finally, certain activities may entail Indirect cost, such as General Research and

Development.

Services rendered by the aforementioned or similar departments and which are directly

chargeable to the Unit Operation shall, to the extent practicable, be charged as direct cost in

accordance with Article 2.1.4 a) Material above.

According to different systems for intermediate distribution, Indirect cost shall ultimately be

charged to the individual Unit Operation or to activities for which the Operator himself

bears the cost. The charges shall be made pursuant to fair distribution methods. Examples of

such methods are:

* According to direct time, applied to direct personnel cost;
* According to direct Material consumption, applied to direct material cost;
* According to turnover ratios, including sliding scale systems;
* Other capacity and/or consumption-based distribution methods.

Charges related to such distribution methods shall be calculated on the basis of time and

cost studies and be reviewed annually to verify that they compensate the Operator fairly for

the charges they are intended to cover. If the Operator uses provisionally budgeted hourly

fees etc. for the charges throughout the Year, and does a recalculation the following Year,

see Article 1.3.3, the recalculation shall be terminated and charged/credited to the Joint

operation including interest, preferably within the first Quarter of the following Year, but at

the latest 1 June of the following Year.

In order to provide the basis for such annual review, the Operator shall provide the Nonoperators

with a current organization chart together with the basis for charging cost to the

Joint Account and an identification of those sections of the organization for which cost will

be charged directly to the Joint account under Articles 2.1.2, 2.1.3 a) and 2.1.8, and those

parts of the organisation that are covered by charges under this Article.

*2.2.2 General Research and Development*

The Operator's cost for General Research and Development may be charged to

the Joint Account in proportion to the exploration, development and operating

cost of the year in accordance with the following provisions:

Projects which are not subjected to unlimited audit may be charged to the Joint

Account according to the following per cent rates and limits based on annual

costs except for area fees, CO2 duty, NOX duty when directly imposed on the

Unit Operation, purchase of gas for injection and tariffs paid in connection with

the processing of petroleum on a third party’s field installation:

Exploration cost: 0 - 300 millionNOK 2.5%

Operating cost: 0 - 1000 million NOK 2.7%

1000 - 2500 million NOK 1.0%

Development cost: 0 - 1000 million NOK 2.5%

1000 - 2000 million NOK 1.0%

2000 - 3500 million NOK 0.5%

Tariffs received for the processing of other companies’ petroleum and other revenues that are credited to the Joint Account shall not be deducted at the calculation of the above-mentioned cost.

Exploration cost means all cost charged to the Joint Account as exploration cost

by decision of the management committee, i.e. normally cost until an approved

development plan is established, and in addition all cost outside the area

comprised by the development plan.

Operating cost means all cost charged to the Joint Account as operating cost by

decision of the management committee, i.e. normally direct cost of production

and direct and indirect expenses of the operating organisation before and after

commencement of production, excluding exploration cost.

Development cost means all cost charged to the Joint Account as investments

by decision of the management committee, i.e. normally all cost excluding

operating cost (including cost related to preparation for operation) for activities

in the area comprised by the development plan.

Removal cost shall be dealt with as development cost.

The Operator shall each Year document that General Research and Development cost has a

useful effect for the Norwegian Continental Shelf and has been charged to an extent at least

corresponding to the chargeable amounts against the relevant Joint Accounts. The Operator

shall charge the Joint Account with the percentage additions at the time of periodic

settlement of accounts. Cost charged to the Joint Account in accordance with this Article is

not to be included in the basis of calculation.

To the extent the Operator is unable to document a cost level sufficient to fully charge the

percentage additions to the relevant Joint Accounts, the charges made by the Operator to the

relevant Joint Accounts shall be reduced correspondingly on a pro rata basis.

The intervals above will be adjusted at the beginning of each Year on the basis of the

consumer price index as published by Statistics Norway per 15 July of the current year. The

starting basis is 15 July 2004.

*2.2.3 Corporate Staff and Corporate Management*

The Operator's cost for Corporate Management and Corporate Staff may be charged to the

Joint Account with 0.65 % of the annual costs for exploration, operation and development

of the Unit Operation, with the exception of charges for General Research and Development

which may be charged to the Joint Account according to Article 2.2.2. Costs for exploration,

operation and development shall have the same meaning as in Article 2.2.2.

The percentage shall cover the Operator's Corporate Management and Corporate Staff cost

to the extent that Corporate Management and Corporate Staffs perform work of a general

nature for the Operator that does not refer directly to the operation of one or several fields

on the Norwegian Continental Shelf. The activities covered by the percentage shall

comprise the Corporate Management and Cooperate Staff’s cost related to the preparation

and maintenance of management documentation and procedures covering the group as well

as services that are not covered by Article 2.2.3 fourth paragraph. The percentage shall

cover internal services as well as services bought externally.

The expenses covered by the percentage shall not be subject to any audit.

Services of an extraordinary nature which are beneficial to one or several joint ventures on

the Norwegian Continental Shelf shall be chargeable directly to the relevant joint ventures

in addition to the percentage. If the expenses for services of an extraordinary nature are

known at the time when the Operator submits the budget proposal for the coming year, these

expenses are to be included in the budget proposal. In all cases, the management committee

shall be informed of any such expense in the monthly report. Extraordinary nature means

work performed by the Group Staffs of a particularly large or unusual scope and not

comprising work which forms part of the ordinary operation of one or several joint ventures

(major investigations, reports and crisis management related to accidents and the like, the

establishment of new group systems and other extraordinary activities). Expenses related to

services of an extraordinary nature shall be documented by way of work description and

may be subject to an audit.

Expenses covered by this Article 2.2.3 shall not be charged to the joint ventures in any other

way.

*2.2.4 Additional Indirect cost*

The Indirect cost not covered by Articles 2.2.2 and 2.2.3 and which accrue to the Operator

or the Operators' Affiliated companies for the Unit Operation in Norway, shall be calculated

on the basis of cost studies and shall be charged to the Joint Account each month pursuant

to the distribution key described in Article 2.2.1.

*2.3 Industry Forum*

*2.3.1 Participation and management*

Together with other joint ventures on the Norwegian Continental Shelf which have entered

into a Joint Operation Agreement and an Accounting Agreement with corresponding

provisions, the Parties are entitled to participate in an Industry Forum. Each licensee is

entitled to one member. The licensees in Affiliated Companies are jointly entitled to one

member only. Each member is entitled to be assisted in the meetings by relevant expert

personnel.

OLF (or another entity appointed by the Ministry, hereinafter “OLF”) shall ensure the initial

constitution of the Industry Forum, shall act as its secretariat and appoint the leader of the

Industry Forum from the OLF administration.

The leader shall convene the meetings of the Industry Forum. A meeting shall be held at

least once a Year, and otherwise when the leader finds there is a need for a meeting. Notice

of the meeting shall be received by the members no later than 10 working days prior to the

meeting. The notice shall state the time and place of the meeting and the matters to be dealt

with, and shall contain sufficient background material. A member may, by giving no less

than 5 working days’ notice to the leader and the other members, require that other matters,

within the framework of the objects of the Industry Forum, be listed on the agenda for the

meeting. Minutes of the meetings shall be made. The provisions of Article 5.7 of Attachment

A – Joint Operation Agreement of this Agreement concerning minutes of meetings in

the Partner Forum shall apply accordingly.

*2.3.2 Tasks*

The Industry Forum shall:

1. Ensure that the individual Percent Add-on of each of the Three Largest Operators for the coming year is calculated in accordance with the provisions of Article 2.1.3.2, items i-v;
2. Determine the Percent Add-on according to Article 2.1.3.2, no later than 1September;
3. Determine common tariffs related to mortality and disability, cf. Article 2.1.3.2 item v. when an expert recommendation so indicates. Any revision of determined parameters shall be based on expert recommendations, including a recommendation from the actuary/ actuaries of the Three Largest Operators and the actuary appointed pursuant to Article 2.3.3, taking due account of the fact that the individual parameter shall neither contribute to loss nor gain;
4. Determine whether the conditions for the debiting/crediting of any implementation difference(s) exist;
5. Ensure that any implementation difference(s) is/are calculated according to the principles of Article 2.1.3.2;
6. Discuss important matters of principle that concern the understanding and application of this Attachment B – Accounting Agreement and related issues in Attachment A – Joint Operating Agreement. It is a condition that such matter is of common interest to the licensees, and that according to its nature, it is suited for discussions across the joint ventures.

*2.3.3 Independent actuary*

The managing director of OLF shall appoint an independent actuary who shall submit a

statement to the Industry Forum prior to the deliberation of Industry Forum of the matters

included in Article 2.3.2 nos. 1-5. Prior to such appointment, each member shall have 10

working days to state his opinion on the proposal for the actuary to be appointed. The

appointment of the actuary shall apply for three years and shall be final.

The actuary may demand that each licensee entitled to membership in the Industry Forum

submit to the actuary such material and calculations as the actuary deems necessary for his

performance of his duties under this Agreement.

The cost related to the actuary shall be paid by OLF, which shall distribute a share on all

licensees entitled to membership in the Industry Forum. The cost shall be distributed

according to OLF’s norm of distribution as if all members of the Industry Forum were

members of OLF.

*2.3.4 Decision by agreement*

If agreement is reached among the attending members in the meeting of the Industry Forum

that deals with matters that belong under Article 2.3.2 nos. 1-5, the decision of the matter

shall be binding for all licensees that are entitled to membership in the Industry Forum.

*2.3.5 Decision by committee procedure*

In the event that a matter is not decided according to Article 2.3.4, any member may within

30 days of the meeting of the Industry Forum make a written demand for a committee

procedure. If a demand for a committee procedure has not been submitted within the

deadline, a statement submitted by the independent actuary according to the provisions of

Article 2.3.3 shall be binding on all licensees that are entitled to membership in the Industry

Forum.

The committee shall be appointed by the managing director of OLF and be composed of

two actuaries and one lawyer, where the lawyer shall be the chair. Prior to the appointment,

each member shall have 10 working days to state his opinion on the proposal for

appointment of the committee that has been proposed.

The member demanding decision by committee shall be a party to the committee procedure.

The committee shall inform the other members of the committee procedure and set a time

limit for them to notify their wish to be parties to the committee procedure. Should none of

the other members notify their wish to be a party to the committee procedure, all the other

members for whom the decision will be effective shall be considered as opposing parties to

the relevant committee procedure.

The procedure before the committee shall be initiated by the committee setting a time limit

for the parties that have demanded the committee procedure to submit one written statement

with a copy to the other parties. The committee shall then set a time limit for the other

parties to submit one written statement. The committee shall then determine the further

procedure, including any additional written and/or oral submissions. The decision of the

committee shall be founded and shall be submitted within three months. The committee

shall make their decisions by majority vote.

The provisions on costs in the Civil Procedure Act (or any Act amending or replacing it)

shall apply to the decision of the committee on costs as regards the distribution of costs

between those who are parties to the committee procedure. The decision of the committee

on the cost issue shall be final.

Unless otherwise provided in the next paragraph, the decision of the committee shall be

effective in relation to, and be made available to all licensees being entitled to membership

in the Industry Forum, even if they have not been parties to the committee procedure.

Any decision concerning whether any implementation difference(s) has/have been

calculated in accordance with the principles of Article 2.1.3 shall only be effective for, and

shall only be made available to, those members that are licensees in the production licences

to which the implementation difference apply.

*2.3.6 Provisional settlement*

In the event that any disagreement related to the calculation of the Three Largest Operators

of the individual Percent Add-on, the right of an Operator to debit/credit any

implementation difference(s), or any calculation of any implementation difference(s) have

been made subject to a committee procedure, the calculation of the Operator shall form the

basis for the debiting/crediting on the Joint Account until the decision of the committee has

been made.

*2.3.7 Invalidity*

The provisions of Section 38 and Chapter 9 of the Act of 14 May 2005 No. 25 on arbitration

shall apply accordingly to the decisions of the committee. Stavanger District Court shall be

the venue in case of a legal action.

*2.3.8 Confidentiality*

The provisions on confidentiality in the Joint Operating Agreement shall apply accordingly

to the independent actuary, the committee members and OLF personnel.

*ARTICLE 3 CREDITS TO THE JOINT ACCOUNT*

All credits from Unit Operations shall be credited to the Joint Account at the net amount

actually collected.

*3.1 Sale and return of Material*

The Operator shall have the right to dispose of surplus Material, but shall obtain the

approval of the management committee for all dispositions of Material with an aggregate

original purchase cost of NOK 5,000,000 or more. The amount may be changed by the

management committee.

The Operator shall be under no obligation to purchase the share of the Non-operators in new

or used surplus Material.

When Material is returned to the Operator or Affiliated companies, the Joint Account shall

be credited with the current average purchase price of new Material or the agreed price, cf.

Article 2.1.4 a). Any reconditioning cost shall be charged to the Joint Account. Used

Material which cannot be repaired shall be scrapped without crediting the Joint Account.

*3.2 Insurance*

Credits for settlements received from the insurance companies or others.

If a Party does not participate in the insurance, he will not be entitled to any share in such

settlements.

[ARTICLE 4 ADJUSTMENT FOLLOWING A CHANGE IN TRACT PARTICIPATION ]

*ARTICLE 5 MISCELLANEOUS*

*5.1 Inventories*

The Operator shall take periodic inventories of all warehouse stock at least once a Year. The

Operator shall give the Non-operators 30 days' written notice of his intention to take an

inventory to allow them to be represented. Failure of any Non-operator to be represented

shall bind him to accept the result of the inventory.

The Operator shall furnish the Non-operators with a list showing counted and booked stocks

and shortages. The Joint Account shall be adjusted accordingly as soon as possible.

In case of assignment of a Participating interest in accordance with Article 23 of

Attachment A – Joint Operating Agreement, a special inventory shall be made by

the Operator, provided that the assigner and/or assignee agree to bear all the cost

thereof.

*5.2 Sole risk operations*

Charges and credits referring to sole risk operations under Article 19 of Attachment A –

Joint Operating Agreement shall be recorded in separate accounts. The provisions of this

Attachment B – Accounting Agreement shall also apply to sole risk operations.