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**Amendments to the Petroleum Agreement between the Government of the Republic of Sierra Leone (the "State") and EUROPEAN HYDROCARBONS LIMITED, (registered in England and Wales under company number 04819033) whose registered office is at St Botolph Building, 138 Houndsditch, London EC3A 7AR, United Kingdom ("European Hydrocarbons),**

THIS amendment to the Petroleum Agreement is made this 23<sup>rd</sup> day of Sept..... 2013

By and Between:

1. **The Government of the Republic of Sierra Leone** (hereinafter referred to as the "State"), represented by the Director-General of the Petroleum Directorate whose office is at 43 Siaka Stevens Freetown; and
2. **EUROPEAN HYDROCARBONS LIMITED**, Represented by its Vice President Alex Magid (registered in England and Wales under company number 04819033) whose registered office is at St Botolph Building, 138 Houndsditch, London EC3A 7AR, United Kingdom.

**WHEREAS:**

- A. The Government of the Republic of Sierra Leone and European Hydrocarbons are parties to a Petroleum Agreement to conduct Petroleum Operations in respect of block SL-03, offshore Sierra Leone ("SL-03 Licence"), entered into on 23<sup>rd</sup> April 2010 (the "Petroleum Agreement").
- B. The Agreement was by letter dated 27<sup>th</sup> August, 2013 terminated by the Director General Petroleum Directorate due to difference of opinion on the Interpretation of the meaning of "Effective Date" and a perceived failure to comply with Relinquishment Obligation pursuant to Article 5.1 (a) of the Agreement dated 23<sup>rd</sup> day of April 2010
- C. That following discussions between the State and European Hydrocarbons Limited pursuant to Article 24.1 of the Petroleum Agreement and Article 27:1 pursuant to which the Parties agree to cooperate in every possible manner to achieve the objectives of the Agreement dated 23<sup>rd</sup> April, 2010, and having regard to the policy of the State to encourage investors in the Upstream oil and gas sector in Sierra Leone and to avoid protracted and costly Arbitration proceedings, the Director General Petroleum Directorate, acting under Executive Clearance by His Excellency the President hereby reinstate the Agreement to European Hydrocarbons for the Contract Area designated Block SL-3 subject to certain amendments and conditions as set out in this Amendment
- D. According to Article 27.6 of the Agreement, the terms and conditions of the Agreement may be modified in writing and by mutual agreement between the Parties

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NOW THEREFORE it is hereby agreed and declared as follows:

#### REINSTATEMENT

1. The Agreement is reinstated and shall be treated as remaining in full force and effect in accordance with its original terms and conditions save as modified by this Amendment. For the avoidance of doubt, the letter of termination dated 27<sup>th</sup> August, 2013 shall be null and void.

#### EXTENSION

2. That the initial Exploration Period is extended for two (2) years with effect from 23<sup>rd</sup> April 2013 to 23<sup>rd</sup> April 2015.

#### MINIMUM EXPLORATION PROGRAM

3. Article 4.3(a) of the Agreement is amended to read as follows:
  - (i) Initial Exploration Period: Commencing on the 23<sup>rd</sup> April 2013 and terminating on 23<sup>rd</sup> April 2015.  
Description of Work:
  - (ii) Reassessment of the deeper syn-rift package including reprocessing and detailed fault mapping.
  - (iii) Regional depositional model and predictive reservoir quality model is required.
  - (iv) Further mapping of the campanian sand fairway is required, tie-in to SL-04A-10.
  - (v) Detailed stratigraphic analysis must be carried out on multi-attribute volumes using paradigm tool suite.
  - (vi) Minimum Expenditure: Contractor's minimum expenditure for the work in the Initial Exploration Period shall be Three Million United States Dollars (US\$ 3Million)
  - (vii) If Contractor elects to enter into the first Extension Period, then by the end of the first Extension Period, Contractor shall have drilled one (1) Exploration well in the Contract Area.
4. (i) If the work program for the Extended Initial Exploration Period has not commenced and completed by the end of the extension of that period (as stated in Article 3.1 of this Amendment), the Petroleum Agreement dated 23<sup>rd</sup> April 2010 and the Amendment thereto shall be terminated automatically with effect from 23<sup>rd</sup> April 2015.



