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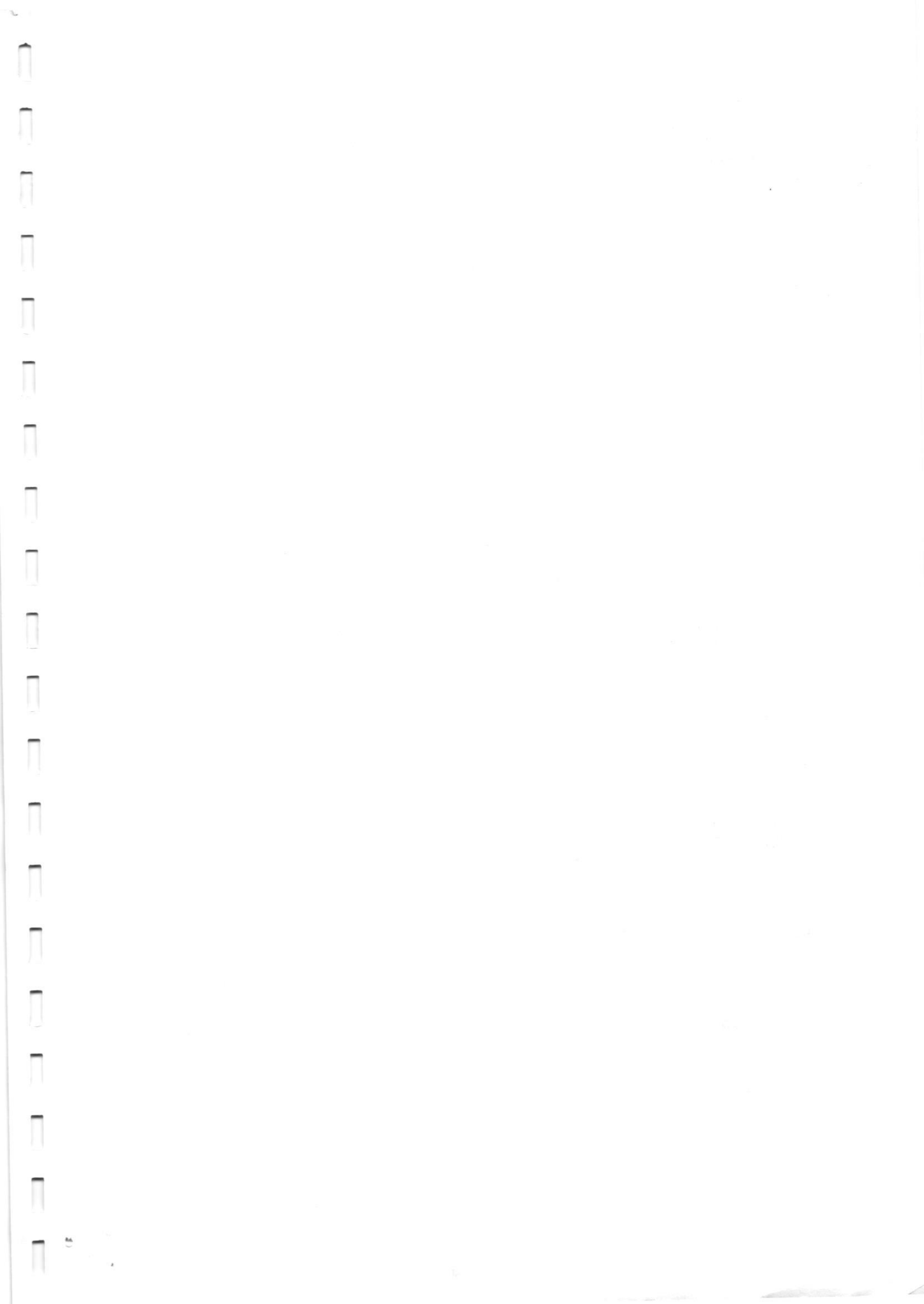
**THIS ADDENDUM No. 3 TO THE PETROLEUM AGREEMENT is made this 16
day of March 2012** (hereinafter referred to as "Addendum No. 3")

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; and
2. **Talisman Sierra Leone B.V.** a limited liability company, organized and existing under the Laws of The Netherlands, having its registered office at Atrium Building, Strawinskylaan 3159, 1077 ZX Amsterdam, the Netherlands (hereinafter referred to as "Talisman").

WHEREAS:

- (A) A Petroleum Agreement dated 13th August 2003 (hereinafter referred to as the "Agreement") relating to an offshore petroleum exploration area known as Block SL-4 (hereinafter referred to as "Block SL-4") was entered into by and between the State and #8 Investments, Inc. (hereinafter referred to as "8II") and duly and lawfully executed on behalf of the State by the Vice President in accordance with the provisions of The Petroleum Exploration and Production Act 2001 of the Republic of Sierra Leone (hereinafter referred to as the "Act").
- (B) The Agreement was amended by an Addendum dated 20th February 2008 (hereinafter referred to as "Addendum No. 1") duly made between the State and 8II and duly and lawfully executed for and on behalf of the State by the Director-General of the Petroleum Resources Unit (hereinafter referred to as the "PRU"), in accordance with the provisions of the Agreement and the Act.
- (C) Addendum No. 1 effected certain significant changes to the Agreement including, but not limited to, altering and extending the Initial Exploration Period under the Agreement to 12th August 2008, providing a new exploration work obligation with an amended duration, specifying new provisions as to applicable royalty rates and providing a revised maximum duration. Consequently, the "Effective Date" (as defined in the Agreement) for all purposes in relation to the Agreement and the Act became 20th February 2008.
- (D) By a Deed of Assignment dated 21st February 2008, 8II assigned and transferred a seventy percent (70%) interest in and under Block SL-4 and the Agreement to Elixir Petroleum (UK) Limited (hereinafter referred to as "EPUK"). This assignment was duly and lawfully made in accordance with the provisions of Section 21 of the Act and Article 25 of the Agreement (particularly Articles 25.1 and 25.2 thereof).
- (E) By a Deed of Assignment dated 22nd February 2008, 8II assigned and transferred the remaining thirty percent (30%) interest in and under Block SL-4 and the Agreement to Prontinal Limited ("PRL"). This assignment was duly and lawfully made in accordance with the provisions of Section 21 of the Act and Article 25 of the Agreement (particularly Article 25.4 thereof, since PRL was an "Affiliate", within the definition in the Agreement, of 8II as at the relevant date).



- (F) On 29th March 2008, EPUK and PRL demonstrated compliance with Article 3.2 of Addendum No. 1 and the Initial Exploration Period under the Agreement was duly and lawfully extended to 12th August 2009.
- (G) With effect from 1st May 2009, PRL acquired EPUK and, on 13th May 2009, changed the name of that company to Prontinal (UK) Limited (hereinafter referred to as "PUK").
- (H) PUK and PRL, constituting the Contractor as defined in the Agreement, duly fulfilled the work obligation and all other obligations under the Agreement (as amended by Addendum No. 1) by the due date of 12th August 2009. Further, PUK and PRL duly exercised the option, pursuant to Article 3.1(b) of the Agreement, for entry into the First Extension Period and submitted a relinquishment proposal pursuant to Article 5 of the Agreement.
- (I) Following discussions between the State, duly represented by the PRU, and the Contractor, and having regard to the provisions of the Agreement and the Act, a revised relinquishment was officially agreed and formally issued under cover of a letter from the PRU dated 30th March 2010. The said letter confirms:
- that PUK and PRL have fulfilled the initial exploration program;
 - that entry into the First Extension Period has been approved;
 - that the said First Extension Period has been extended to 30th December 2011;
 - that the relinquishment is as set forth in the map, duly signed by the PRU and attached to that letter; and
 - that the area retained following relinquishment was re-named as Block SL -4B- 10 (hereinafter referred to as "Block SL-4B- 10") and the co-ordinates for Block SL -4B- 10 are as set out in the map attached to the said letter.
- (J) By a Deed of Assignment dated 7th January 2011, PUK assigned and transferred its entire seventy percent (70%) interest in and under Block SL-4B-10 and the Agreement to PRL. This assignment was duly and lawfully made in accordance with the provisions of Section 21 of the Act and Article 25 of the Agreement (particularly Article 25.4 thereof, since PUK was an "Affiliate", within the definition in the Agreement, of PRL and, further, PUK and PRL were both entities constituting the Contractor as defined by the Agreement).
- (K) Consequently, with effect from 7th January 2011, PRL was the owner of the entire one hundred percent (100%) undivided interest in and under Block SL-4B-10 and the Agreement.
- (L) 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. According to Article 27.7 of the Agreement, the Director-General of the PRU represents the State under the Agreement and is empowered to grant, in the name and on behalf of the State, consents necessary or useful for the implementation of the Agreement.

