FIRST AMENDMENT AGREEMENT

relating to

the amendments to the Production Sharing Contract relating to the Arbat Contract Area

between

THE KURDISTAN REGIONAL GOVERNMENT OF IRAQ

and

SHAMARAN PETROLEUM B.V.
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FIRST AMENDMENT AGREEMENT

This agreement (the “Agreement”) is entered into as of 1 August 2010 (the “Agreement Date”) between:

(1) THE KURDISTAN REGIONAL GOVERNMENT OF IRAQ (the “Government”); and

(2) SHAMARAN PETROLEUM B.V., a company established and existing under the laws of the Netherlands, having a registered office at Amaliastraat 3 – 5, 2514 JC, The Hague, the Netherlands, and which is part of the Lundin family group of companies (“Shamaran”)

(each a “Party” and collectively, the “Parties”).

RECITALS

(A) The Government and Shamaran are parties to a Production Sharing Contract dated 28 August 2009 in respect of the Arbat Contract Area in the Kurdistan Region of Iraq (the “Contract”).

(B) The Parties wish to amend the Contract to obligate Shamaran, and future holders of all or part of the participating interest held by Shamaran at the Effective Date, to pay capacity building payments to the Government. Shamaran is willing to agree to charge its participating interest with the capacity building payment obligations, and the Parties are willing to agree to the appropriate amendments to the Contract.

(C) The Government will deposit all capacity building payments into a segregated account for use solely to support and finance infrastructure and capacity building projects in the Kurdistan Region.

(D) The Parties wish to amend the Contract to relieve Shamaran of the obligation to procure the issuance of common shares in Shamaran Petroleum Corp. in favour of the Government.

1. DEFINITIONS AND INTERPRETATION

1.1 Unless otherwise defined herein (including the recitals) capitalised terms have the meanings ascribed to them in the Contract (before amendment by this Agreement). As used in this Agreement:

“Agreement” is defined in the preamble.

“Agreement Date” is defined in the preamble.

“Contract” is defined in Recital (A).
“Government” is defined in the preamble.

“Party” and “Parties” are defined in the preamble.

“Shamaran” is defined in the preamble.

“Third Party” is defined in Clause 4.2.

1.2 Descriptive headings in this Agreement are for convenience only, do not constitute a part of this Agreement, and do not affect the construction or interpretation of this Agreement. A reference to a “Clause” is a reference to a clause of this Agreement.

1.3 Nothing in this Agreement shall be construed to impair the rights of the Government in relation to the Government Interest in accordance with Article 4 of the Contract.

2. AMENDMENTS TO CONTRACT

2.1 The Contract is amended as provided in this Clause 2.

2.2 The recitals are amended:

(a) by adding a new paragraph (D):

“(D) This Contract was amended pursuant to the First Amendment Agreement between the Parties dated 1 August 2010;”;

(b) by renumbering the existing paragraph (D): “(E)”; and

(c) by renumbering the existing paragraph (E): “(F)”.

2.3 In Article 1.1, the definitions of “CONTRACTOR” and “CONTRACTOR Entity” are deleted in their entirety and restated as follows:

“CONTRACTOR means, individually and jointly, each Contractor Entity.

CONTRACTOR Entity means Shamaran and its permitted assignees pursuant to Article 39. A holder of the Government Interest is not a CONTRACTOR Entity. The Government as holder of the Third Party Interest is not a CONTRACTOR Entity. At any time when there is only one entity constituting the CONTRACTOR, any reference to “the entities constituting the CONTRACTOR” or the “CONTRACTOR Entities” or similar reference, shall be deemed to mean “the entity constituting the CONTRACTOR”. As of the Effective Date, Shamaran, as the CONTRACTOR Entity, owns an undivided interest in the Petroleum Operations in respect of the entire Contract Area:

Shamaran 60%".
2.4 In Article 1.1, the definition of “Common Shares” is deleted.

2.5 New definitions are added in Article 1.1, in the appropriate alphabetical order, as follows:

"Annual Reconciliation Statement" is defined in Article 32.4.2(c).

Capacity Building Account means a segregated bank account with a reputable bank in the name of, and maintained by, the GOVERNMENT, the sole purpose of which is to support and finance certain infrastructure and capacity building projects to be identified by the GOVERNMENT in its sole discretion in the Kurdistan Region.

Capacity Building Payment means the obligation of the Charged Interest Holder to pay an amount equal to the Capacity Building Value for that Charged Interest Holder.

Capacity Building Payment Instalments means each obligation of a Charged Interest Holder to pay an amount equal to the Capacity Building Value attributed to such Charged Interest Holder as provided by Article 32.4.

Capacity Building Value means, in respect of any period of determination: for each Charged Interest Holder, an amount in Dollars equal to the value, established in accordance with Article 27, of twenty per cent (20%) of the Profit Petroleum attributed to such Charged Interest Holder pursuant to this Contract as at any time and period of determination.

Charged Interest means all or any part of the sixty per cent (60%) participating interest hereunder deemed held by Sharmaran as of the Effective Date.

Charged Interest Holder means a CONTRACTOR Entity if and to the extent it is the holder of a Charged Interest. As of the Effective Date, Sharmaran is the only Charged Interest Holder.

Charged Interest Holders Monthly Statement is defined in Article 32.4.2(a).

First Amendment Agreement means the First Amendment Agreement between the Government and Sharmaran dated 1 August 2010.

Loss or Expense is defined in Article 32.4.8(c).

Rights Sale means a sale, assignment, or other disposal of the GOVERNMENT's rights to receive Capacity Building Payment Instalments from a Charged Interest Holder, whether for a lump sum payment or in instalment payments, and whether the purchaser assumes all payment risk and all risk as to the amount of Capacity Building Payment Instalments, or otherwise.

2.6 The first paragraph of Article 4.2 is deleted in its entirety and restated:
“The Public Company will not have any liability to the CONTRACTOR to contribute its Government Interest share of all Petroleum Costs. Petroleum Costs are the exclusive obligation of the CONTRACTOR Entities in accordance with each CONTRACTOR Entity’s respective participating interests in the Contract. Each CONTRACTOR Entity is entitled (through the CONTRACTOR) to recover all such Petroleum Costs in accordance with Article 25. The Public Company shall contribute its share of Production Bonuses attributable to the Government Interest and payable pursuant to Articles 32.5 through 32.9.”

2.7 In Article 16.14, after the words in the first sentence “The GOVERNMENT and” the following is inserted: “, subject to Articles 32.4.6(a) and (b).”.

2.8 In Article 26.9, the following sentence is added to the end of the Article:

“Notwithstanding the other provisions of this Article 26.9, where a Charged Interest Holder is in breach of any of its obligations in respect of the payment of Capacity Building Payment Instalments under Article 32.4, the GOVERNMENT will have the rights set forth in Articles 32.4.6 through 32.4.8.”

2.9 Articles 27.1 and 27.2 and Paragraphs 7 and 8 are amended by adding, after the word “Quarter” in each instance in each Article and Paragraph, the words “and Month”; and in Paragraph 7.2, the words “twenty-one (21)” are deleted and replaced by “ten (10)”.

2.10 Article 27.4 is deleted and restated in its entirety:

“By the tenth (10th) day of each Month, the CONTRACTOR shall provide a statement to the GOVERNMENT showing the CONTRACTOR’s calculations of the value of Petroleum produced and sold from the Contract Area for the previous Month. Such statement shall include the following information:

(a) quantities of Crude Oil sold by the CONTRACTOR Entities during the preceding Month constituting Arm’s Length Sales together with corresponding sale prices;

(b) quantities of Crude Oil sold by the CONTRACTOR Entities during the preceding Month that do not fall in the category referred to in paragraph (a) above, together with sale prices applied during such Month;

(c) inventory in storage belonging to the CONTRACTOR Entities at the beginning and at the end of the Month; and

(d) quantities of Natural Gas sold by the CONTRACTOR Entities and the GOVERNMENT together with sale prices realised.

Concurrently with the delivery of the monthly statement, the CONTRACTOR shall deliver the Charged Interest Holders Monthly Statement to the GOVERNMENT as provided in Article 32.4.2(a).”
2.11 In Article 29.1, after the words “shall be in Dollars and shall”, the following words are added:

“except as provided in the next sentence and Articles 32.4.10 through 32.4.12.”;

and the following sentence is added at the end of Article 29.1:

“The right of offset provided in this Article 29.1 will not apply in respect of the obligation of a Charged Interest Holder to make Capacity Building Payments as further provided in Articles 32.4.10 through 32.4.12.”

2.12 Articles 32.1 through 32.3 are deleted.

2.13 New Articles 32.1 through 32.3 are added as follows:

“Signature Bonus

32.1 The GOVERNMENT required Shamaran, as a condition of entering into the Contract, to pay to the GOVERNMENT a signature bonus of two million, five hundred thousand Dollars (US $2,500,000) (“Signature Bonus”) and the GOVERNMENT confirms timely receipt of the payment.

Capacity Building Bonus

32.2 The GOVERNMENT required Shamaran, as a condition of entering into the Contract, to pay to the GOVERNMENT a capacity building bonus of seventeen million, five hundred thousand Dollars (US $17,500,000) (“Capacity Building Bonus”) and the GOVERNMENT confirms timely receipt of the payment.

Shares Issue

32.3 The GOVERNMENT required Shamaran, as a condition of entering into the Contract, to cause the issue of thirty-five million (35,000,000) common shares (“Common Shares”) in Shamaran Petroleum Corp., the ultimate parent company of Shamaran, for no further consideration, and the GOVERNMENT, in consideration of the Capacity Building Value for the Charged Interest Holder, waives the requirement.”

2.14 A new Article 32.4 is added:

“Capacity Building Payments

32.4 Each Charged Interest Holder is bound by the provisions of this Article 32.4.

32.4.1 The obligations of a CONTRACTOR Entity, to the extent it is a Charged Interest Holder, as set forth in this Article 32.4, attach to, and may not be severed from, the Charged Interest.
32.4.2 In respect of the Capacity Building Payment Instalments:

(a) on or before the tenth (10th) day of each Month in the Development Period, the CONTRACTOR shall provide to the GOVERNMENT, together with the monthly production statement prepared by the CONTRACTOR in accordance with Article 27.4 and Paragraph 6.1, and the monthly valuation statement in accordance with Article 25 and Paragraph 7.1, a statement (the "Charged Interest Holders Monthly Statement") setting out the CONTRACTOR’s calculation of the Capacity Building Value attributable to each Charged Interest Holder for the preceding Month. In each Charged Interest Holders Monthly Statement the CONTRACTOR shall detail each item taken into account in making its calculation of the amounts due from each Charged Interest Holder, the quantities of Profit Petroleum produced during the Month covered by such Charged Interest Holders Monthly Statement, the volumes of such production sold, the Capacity Building Value attributed to such sales, and the Capacity Building Payment Instalments required to be paid with respect thereto by each Charged Interest Holder;

(b) on the same date on which the CONTRACTOR provides the Charged Interest Holders Monthly Statement to the GOVERNMENT in accordance with Article 32.4.2(a), each Charged Interest Holder shall pay (except as provided in the next sentence) the Capacity Building Payment Instalment as shown as owed by such Charged Interest Holder in the Charged Interest Holders Monthly Statement. If:

(1) a Charged Interest Holder has sold its Profit Petroleum to
   (i) the GOVERNMENT or a Public Company (or a company or an entity owned and controlled, directly or indirectly, by a Public Company or the GOVERNMENT), (ii) the State Oil Marketing Organisation (SOMO) or any entity owned and controlled by the Government of Iraq; and if

(2) any such counterparty as identified in (1) has not paid the Charged Interest Holder for the Petroleum lifted by such entity, then:

(3) the Charged Interest Holder is only obligated to pay the Capacity Building Payment when, if, and to the extent the Charged Interest Holder has received payment by such counterparty.
The preceding sentence does not apply with respect to, and
to the extent of sales of a Charged Interest Holder’s Profit
Petroleum to any other counterparties;

(c) within thirty (30) calendar days following the date on which
the CONTRACTOR delivered the Final End-of-Year
Statement to the GOVERNMENT for each Calendar Year in
accordance with Article 26.13 and Paragraph 10, and based on
the information in such Final End-of-Year Statement, the
CONTRACTOR shall provide to the GOVERNMENT, in
respect of each Charged Interest Holder, a written
reconciliation of the aggregate amount of the Capacity
Building Value and the aggregate payments of the Capacity
Building Payment Instalments during such Calendar Year
period (the “Annual Reconciliation Statement”);

(d) if the results of an Annual Reconciliation Statement show that
a Charged Interest Holder has, in the aggregate over the
Calendar Year period covered by the Annual Reconciliation
Statement, made Capacity Building Payment Instalments in an
amount less than the aggregate Capacity Building Value
attributed to such Charged Interest Holder during such
Calendar Year period, such Charged Interest Holder shall pay
(subject to the same exception as provided in the second and
third sentences of Article 32.4.2(b)) the amount of the
underpayment as shown in the Annual Reconciliation
Statement within thirty (30) calendar days following the same
date the CONTRACTOR delivered the Annual Reconciliation
Statement to the GOVERNMENT;

(e) if the results of an Annual Reconciliation Statement show that
a Charged Interest Holder has, in the aggregate over the
Calendar Year period covered by the Annual Reconciliation
Statement, made Capacity Building Payment Instalments in
excess of the Capacity Building Value attributed to it during
such Calendar Year period, and if and to the extent the
GOVERNMENT has agreed with the CONTRACTOR and
the affected Charged Interest Holder in respect of the amount
of such overpayment, such Charged Interest Holder may
deduct such overpayment to the extent that the
GOVERNMENT has agreed with the amount of such
overpayment from the next following payments of Capacity
Building Payment Instalments. In no event will a Charged
Interest Holder be entitled to deduct more than fifteen per cent
(15%) of the amount otherwise payable from the next
following payments of Capacity Building Payment
Instalments. The right of set-off against Capacity Building
Payment Instalments will be a Charged Interest Holder’s only remedy in respect of any overpayment, and the GOVERNMENT will have no obligation to make any reimbursement or other compensating payments to the Charged Interest Holder;

(f) if a Charged Interest Holder fails to pay all or part of a Capacity Building Payment when due, the Charged Interest Holder shall pay interest on the unpaid amount at an annual rate of LIBOR plus two per cent (2%) compounded monthly from and including the date the payment was due to, but not including, the date paid; and

(g) if any Capacity Building Payment is due to be paid to the GOVERNMENT on a day that is either not a banking day in either the place where the Capacity Building Account is maintained, or the location of the financial institution through which a Charged Interest Holder will make such payment, then the Capacity Building Payment will be due on the next following banking day. A “banking day” is a day (other than a Saturday, Sunday, or public holiday) on which banks are open for general business in the specified locations.

**Capacity Building Account**

32.4.3 The GOVERNMENT shall:

(a) establish and maintain the Capacity Building Account; and

(b) deposit all Capacity Building Payments received by the GOVERNMENT into the Capacity Building Account.

**Rights Sale**

32.4.4 The GOVERNMENT may enter into a Rights Sale without the consent of the CONTRACTOR or any CONTRACTOR Entity.

**Separate Liability**

32.4.5 Each Charged Interest Holder is separately liable (and not jointly and severally liable with any other Charged Interest Holder) to the GOVERNMENT for its obligations, duties and liabilities under this Article 32.4. A CONTRACTOR Entity that is not a Charged Interest Holder will have no liability to the GOVERNMENT for any claim by the GOVERNMENT arising out of or related to the breach of any Charged Interest Holder’s obligations under this Article 32.4.
**Breach: Indemnity**

32.4.6 (a) If a Charged Interest Holder fails to pay a Capacity Building Payment in full when due, the **GOVERNMENT** will, notwithstanding any other provision of this Contract, any lifting agreement, any sales or marketing agreement, or any other agreement, automatically be entitled, on not less than sixty (60) days prior notice to the defaulting Charged Interest Holder and the **CONTRACTOR** in the case of the first default, and not less than thirty (30) days in the case of any subsequent default, to:

(1) lift, at the Delivery Point or at such other point as the **GOVERNMENT** may decide, up to twenty per cent (20%) of such defaulting Charged Interest Holder’s Profit Petroleum; and

(2) continue to lift up to twenty per cent (20%) of such defaulting Charged Interest Holder’s Profit Petroleum for the remainder of the Development Period.

(b) A defaulting Charged Interest Holder will have a single cure period of thirty (30) days only in respect of its first default. If the defaulting Charged Interest Holder pays the defaulted Capacity Building Payments in full plus interest in accordance with Article 32.4.2(f) in such thirty (30) day period, the **GOVERNMENT** shall not exercise its lifting rights under this Article 32.4.6 in respect of such defaulting Charged Interest Holder. In the case of any subsequent default, the **GOVERNMENT** may exercise its right to lift whether or not the defaulting Charged Interest Holder cures its default in the thirty (30) day notice period.

32.4.7 The lifting rights of the **GOVERNMENT** pursuant to Article 32.4.6 are exercisable by way of set-off, without first resort to legal process, and without any liability or claims of the defaulting Charged Interest Holder, the **CONTRACTOR**, the Operator, or any other Person, and regardless of any provisions of any lifting agreement or provision of a joint operating agreement or any other agreement to which the **CONTRACTOR** or a defaulting Charged Interest Holder is a party. The **CONTRACTOR** shall ensure that all agreements in respect of the lifting or sale of Petroleum reflect the **GOVERNMENT**’s priority rights as set forth in Article 32.4.6 and this Article 32.4.7.

32.4.8 (a) A defaulting Charged Interest Holder shall indemnify the **GOVERNMENT** from any Loss or Expense (as defined in
Article 32.4.8(c), below) that may in any way arise from the 
exercise by the GOVERNMENT of its rights in respect of 
such defaulting Charged Interest Holder under Articles 32.4.6 
and 32.4.7.

(b) The GOVERNMENT will retain control over the defence of, 
and any resolution or settlement relating to, such Loss or 
Expense. A defaulting Charged Interest Holder shall cooperate 
with the GOVERNMENT and provide reasonable assistance 
in defending any claims against the GOVERNMENT.

(c) “Loss or Expense” means any liability, loss, claim, settlement 
payment, cost and expense, interest, award, judgment, damages 
(including punitive damages), diminution in value, fees or 
other charge and, to the extent permitted by applicable law, any 
court filing fee, court cost, arbitration fee or cost, witness fee, 
and each other fee and cost of investigating and defending or 
asserting a claim for indemnification, including attorneys’ fees, 
other professionals’ fees, and disbursements; but does not 
include consequential damages. A claim set forth in a notice 
from the GOVERNMENT to a defaulting Charged Interest 
Holder will be conclusively deemed a Loss or Expense if the 
Charged Interest Holder fails to dispute the 
GOVERNMENT’s liability by the end of a thirty (30) day 
period following the effective date of the notice from the 
GOVERNMENT. The Charged Interest Holder shall 
promptly pay the deemed Loss or Expense on demand.

32.4.9 The GOVERNMENT’s rights under Articles 32.4.6 through 32.4.8 
are not exclusive and are without prejudice to the 
GOVERNMENT’s termination rights under Article 45.

Payments: No Set-off or Deduction

32.4.10 Except as provided in Article 32.4.2(e) and notwithstanding any 
provision in this Contract to the contrary, each Charged Interest 
Holder shall pay all Capacity Building Payments without (and free 
and clear of any deduction for) set-off or counterclaim.

32.4.11 Each Charged Interest Holder acknowledges and accepts that a 
fundamental principle of this Article 32.4 is that such Charged 
Interest Holder must pay the Capacity Building Payments owed by 
it as and when required. Accordingly, in respect of its obligations 
under this Article 32.4 only and except as provided in Article 
32.4.2(e), each Charged Interest Holder hereby waives any right to 
raise by way of set off or invoke as a defence to its obligations to 
pay Capacity Building Payments pursuant to this Article 32.4,
whether in law or equity, any failure by the GOVERNMENT or any CONTRACTOR Entity to pay amounts due and owing under the Contract or any alleged claim that such Charged Interest Holder may have against the GOVERNMENT, Operator, other CONTRACTOR Entity, or any other Person, whether such claim arises under or relates to this Contract or otherwise.

32.4.12 Each Charged Interest Holder shall make Capacity Building Payments to the GOVERNMENT by wire transfer of immediately available funds in Dollars in accordance with wire instructions provided by the GOVERNMENT. The making of any payments by a Charged Interest Holder under this Article 32.4, or the acceptance or use of any payments by the GOVERNMENT, does not impair the rights of such Charged Interest Holder or the GOVERNMENT under Article 15. Any dispute between the GOVERNMENT and a Charged Interest Holder in respect of the calculation of each of the Capacity Building Value and the Capacity Building Payment due with respect thereto is subject to Article 15.9.

Assignment, Reversion

32.4.13 (a) If a Charged Interest Holder assigns and novates all or any part of its Charged Interest, the assignee will be a Charged Interest Holder to the extent of such assignment and novation.

(b) If (i) a Charged Interest Holder withdraws as a CONTRACTOR Entity, or (ii) the GOVERNMENT terminates a Charged Interest Holder as a CONTRACTOR Entity; and if in the cases of clauses (i) or (ii) all or part of the Charged Interest of the Charged Interest Holder is either assigned and novated or reverts to the remaining CONTRACTOR Entities as provided in Article 45, then, in either such case, such assignee or each remaining CONTRACTOR Entity, as the case may be, will be a Charged Interest Holder to the extent of such assignment and novation or reversion, as applicable, provided that the withdrawing or terminating Charged Interest Holder will be solely liable for any unpaid Capacity Building Payments attributable to its Charged Interest prior to the date of withdrawal or termination.

2.15 In Article 32:

(a) the existing Article 32.4 is renumbered “32.5”;

(b) the existing Article 32.5 is renumbered “32.6”;

(c) the existing Article 32.6 is renumbered “32.7”;
(d) the existing Article 32.7 is renumbered “32.8”, and in that Article the words “or share issue” are replaced with “or payment”; and

(e) the existing Article 32.8 is renumbered “32.9”, and in that Article:

(i) after the word “bonus”, the words “or payment” are added; and

(ii) the words “or by banker’s draft and on receipt thereof the GOVERNMENT shall forthwith issue a written receipt to the CONTRACTOR duly executed by the Minister of Natural Resources of the GOVERNMENT or such other officer of the GOVERNMENT who shall be duly authorised to issue such receipt under Kurdistan Region Law” are deleted.

2.16 Article 39.2 is deleted and restated:

“Except as provided in Article 32.4, each CONTRACTOR Entity shall have the right to sell, assign, transfer or otherwise dispose of all or part of its rights and interests under this Contract to any third party (not being an Affiliated Company or another CONTRACTOR Entity) with the prior consent of the GOVERNMENT and each other CONTRACTOR Entity (if any), which consent shall not be unreasonably delayed or withheld. Any CONTRACTOR Entity proposing to sell, assign, transfer or otherwise dispose of all or part of its rights and interests under this Contract to any such third party shall request such consent in writing, which request shall be accompanied by reasonable evidence of the technical and financial capability of the proposed third party assignee.”

2.17 In Article 41, the following is added at the end of the Article:

“Notwithstanding the foregoing, this Article 41 will not apply to the GOVERNMENT in respect of any claim or proceeding arising out of or related to the exercise of rights by the GOVERNMENT as set forth in Articles 32.4.6 through 32.4.9, in respect of which the GOVERNMENT expressly reserves all sovereign immunities.”

2.18 In Article 42.1, the following sentence is added at the end of the first sentence:

“This Article 42.1 does not apply to any Dispute arising out of, or relating to, the exercise of rights by the GOVERNMENT as set forth in Article 32.4.6, which Disputes shall, except only as provided in Article 32.4.12, be subject to the exclusive jurisdiction of the courts of the Kurdistan Region located in Erbil.”

2.19 In Article 45.6, after “31,” is added “32.4,”.

2.20 Article 45.9 is deleted.

2.21 The following further amendments are made:
(a) in the definition of “Production Bonus” in Article 1.1, the words “32.4 or 32.5” are replaced with “32.5 or 32.6”;

(b) in Paragraph 3.1.9, the words “with the exception of Taxes described in Article 31.2) and bonus payments” are deleted and replaced with “with the exception of Taxes (described in Article 31.2), bonus payments, Capacity Building Payments, and any other payments”;

(c) in Paragraphs 4.4 and 13.3.2(h), after the word “bonuses” in each instance, “, Capacity Building Payments, or other payments” is added;

(d) the heading for Article 32 is deleted and restated:

“ARTICLE 32 - BONUSES; CAPACITY BUILDING PAYMENTS”;

(e) in Article 39.6, the following is added at the end of the sentence following the words “Article 4”:

“and Article 32.4.”;

(f) in Article 4.2, the words “shall, until such time as the GOVERNMENT exercises the Option of Third Party Participation, be the responsibility of all Initial CONTRACTOR Entities, and thereafter” are deleted;

(g) in Articles 4.2 and 4.3, the word “other” is deleted in each instance;

(h) in Article 4.10, the words

“(which Petroleum Costs, for the avoidance of doubt, shall not include the Signature Bonus, the Capacity Building Bonus or the Common Shares payable or paid, or issuable or issued (as the case may be) under this Contract)”

are replaced with

“(which Petroleum Costs, for the avoidance of doubt, shall not include the Signature Bonus, Capacity Building Bonus or the Capacity Building Payment)”;

(i) in Article 4.11, the words “twenty-one (21)” are replaced with “twelve (12)”;

(j) in Article 33.9, “, provided that where the GOVERNMENT is participating in its capacity as a CONTRACTOR Entity pursuant to Article 4, it shall be liable for its share of Petroleum Costs” is deleted.
3. REPRESENTATIONS

3.1 Shamaran makes the following representations:

3.1.1 its entry into and performance of this Agreement have been authorised by all necessary company action;

3.1.2 this Agreement constitutes a valid, legal, and binding agreement of it;

3.1.3 it has received all authorisations and consents required under the law under which it is organised that are or will be necessary for the entry into and performance by it, and the validity and enforceability against it, of this Agreement;

3.1.4 except as provided in the next sentence, there is no law or agreement to which it is a party that conflicts with, or prevents entry into, delivery, and performance by it of, or calls into question the validity, legality and enforceability against it of, this Agreement. No representation is made in respect of the laws of the Kurdistan Region or Iraq;

3.1.5 it is not a party to any administrative or judicial proceeding, litigation, or arbitration that could affect the validity or enforceability of this Agreement as to it; and

3.1.6 neither it nor any of its Affiliates has made, offered, or authorised (and has not agreed to make and does not expect will be made), with respect to the matters which are the subject of this Agreement or the Contract, any payment, gift, promise or other advantage, whether directly or through any other Person, to or for the use or benefit of any public official (i.e., any person holding a legislative, administrative or judicial office, including any person employed by or acting on behalf of the Government) or any political party or political party official or candidate for office, where such payment, gift, promise or advantage violates (i) the laws of the Kurdistan Region or of Iraq, (ii) the laws of the place of incorporation or its principal place of business, or (iii) the principles described in the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on 17 December 1997, which entered into force on 15 February 1999, and the Convention’s Commentaries. No part of its participating interest under (including any profits it may derive in respect of) the Contract is held (or to be held pursuant to this Agreement) or payable to, directly or indirectly, to or for the benefit (directly or indirectly) of any public official or any political party or political party official or candidate for office of the Kurdistan Region or Iraq.
4. GENERAL PROVISIONS

4.1 Articles 36 (Information and Confidentiality), 39 (Assignment and Change of Control), 41 (Waiver of Sovereign Immunity), 42.1 (Negotiation, Mediation and Arbitration), and 44 (Notices) of the Contract shall apply to this Agreement.

4.2 This Agreement does not create any right under the Contracts (Rights of Third Parties) Act 1999 that is enforceable by any Person who is not a party (a "Third Party"). The Parties may rescind or vary the terms of this Agreement without notice to or the consent of any Third Party.

4.3 This Agreement constitutes the final, complete and exclusive expression of the Parties' agreement on the matters contained in this Agreement. All prior and contemporaneous negotiations and agreements between the Parties on the matters contained in this Agreement are expressly merged into and superseded by this Agreement. The provisions of this Agreement may not be explained, supplemented or qualified through evidence of trade usage or a prior course of dealings. In entering into this Agreement, neither Party has relied upon any statement, representation, warranty or agreement of the other party except for those expressly contained in this Agreement. There are no conditions precedent to the effectiveness of this Agreement, other than those expressly stated in this Agreement.

4.4 Each Party shall timely exercise all commercially reasonable endeavours to take, or cause to be taken, all actions necessary or desirable to consummate and make effective the transactions this Agreement contemplates.

4.5 The Parties may amend this Agreement only by an agreement of the Parties that identifies itself as an amendment to this Agreement. The Parties may waive any provision in this Agreement only by a writing executed by the Party against whom the waiver is sought to be enforced. Any amendment, waiver, or consent signed by the Minister of Natural Resources is binding on the Government. No failure or delay in exercising any right or remedy, or in requiring the satisfaction of any condition, under this Agreement by a Party, and no act, omission or course of dealing between the Parties, will operate as a waiver or estoppel of any right, remedy, or condition. A waiver made in writing on one occasion will be effective only in that instance and only for the purpose stated. A waiver once given is not to be construed as a waiver on any future occasion. No waiver or amendment in respect of this Agreement will constitute a waiver or amendment of any other agreement between the Parties.

4.6 The Parties may execute this Agreement in two counterparts, each of which constitutes an original, and both of which, collectively, constitute only one agreement. The signatures of both of the Parties need not appear on the same counterpart, and delivery of an executed counterpart signature page by facsimile or electronic scan is as effective as executing and delivering this Agreement in the presence of the other Party. This Agreement is effective upon delivery of one executed counterpart from each Party to the other Party. In proving this Agreement, a Party must produce or account only for the executed counterpart of the Party to be charged.
4.7 If this Agreement is reasonably proven to have been obtained in violation of Kurdistan Region Law or the laws of Iraq concerning corruption, this Agreement shall be deemed void *ab initio*.

4.8 This Agreement (and any non-contractual obligations arising out of or in connection with it) is governed by English law.

[Signature page follows.]
For and on behalf of Sharaman Petroleum B.V.:

Signature: [Signature]
Title: CHIEF EXECUTIVE OFFICER
Name: PRADIP KABRA

For and on behalf of the Kurdistan Regional Government of Iraq:

Prime Minister
Kurdistan Regional Government
On behalf of the Regional Council for the Oil and Gas Affairs
of the Kurdistan Region – Iraq

Signature: [Signature]
Barham Salih

Minister of Natural Resources
Kurdistan Regional Government
On behalf of the Ministry of Natural Resources in the Kurdistan Region

Signature: [Signature]
Ashti Hawrami

[Signature page to the Arbat First Amendment Agreement.]
For and on behalf of **Shamiran Petroleum B.V.**:

Signature: ........................................
Title: ............................................
Name: .............................................

For and on behalf of the **Kurdistan Regional Government of Iraq**:

Prime Minister
Kurdistan Regional Government
On behalf of the Regional Council for the Oil and Gas Affairs
of the Kurdistan Region – Iraq

Signature:
Barham Salih

Minister of Natural Resources
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[Signature page to the Arbat First Amendment Agreement.]