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APPENDIX “A” CONTRACT LOCATION
FIGURE 1
APPENDIX “B”
CONTRACT RESERVOIRS
PREAMBLE

This Agreement is made and entered into at the City of Doha, the State of Qatar, this ____ day of __________ 20 ____,

between:

THE GOVERNMENT OF THE STATE OF QATAR (hereinafter called the “GOVERNMENT”), Party of the First Part (it is understood and agreed that whenever Qatar Petroleum (“QP”) is referred to in this Agreement, QP shall represent the GOVERNMENT and act on its behalf);

and

The “A” International Oil Company (Qatar) Limited, a company incorporated and existing under the laws of _______________ (“AOC”); and

The “B” International Oil Company (Qatar) Limited, a company incorporated and existing under the laws of _______________ (“BOC”);

AOC and BOC are hereinafter collectively referred to as the “CONTRACTOR”), Party of the Second Part.

The First Party and Second Part, are hereinafter sometimes referred to collectively as the “Parties” or individually as a “Party”.

RECITALS

WHEREAS:

1. The GOVERNMENT owns all the rights in and to areas of the North Field designated in Appendix “A” hereto and QP is representing the GOVERNMENT and acting on its behalf with respect to the development and utilisation of the hydrocarbon resources contained therein;

2. The CONTRACTOR has represented to the GOVERNMENT that the CONTRACTOR has the financial ability, technical competence and professional skills necessary to perform the obligations of the CONTRACTOR pursuant to this Agreement, and that it is ready, willing and able to assume and perform such obligations;

3. The CONTRACTOR will design, develop, construct and operate the Facilities and conduct Petroleum Operations to process natural gas volumes and export
(except for Ethane) the associated NGL Products and GTL Products and Sulphur, subject to this Agreement;

4. The GOVERNMENT, acting through QP, signed a Heads of Agreement with the CONTRACTOR, on the day of ______, 20___, (the “HOA”) setting out the Parties’ mutual understanding on certain matters relating to the commercial terms to this Agreement;

5. The HOA is terminated hereby on the Effective Date in accordance with its terms;

6. The Parties wish to set out in this Agreement such terms and conditions by which CONTRACTOR will produce Petroleum from the Contract Reservoirs within the Contract Location, according to the terms of this Agreement; and

7. The CONTRACTOR will ensure that sound and prudent reservoir management principles are followed in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and subject to the terms and conditions hereinafter set forth, the Parties hereby agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions:

The following definitions shall apply whenever any of the following capitalized words and/or expressions is used in this Agreement:

1.1.1. “ABCD” means the area outlined as such in Appendix A, having the coordinates specified herein;

1.1.2. “Abandonment” means the abandoning of the Facilities and restoring the site locations of such Facilities in accordance with the Abandonment Plan;

1.1.3. “Abandonment Fund” means the fund established pursuant to Article 31.6;

1.1.4. “Abandonment Plan” means the initial and subsequently the permanent plan for Abandonment pursuant to Article Error! Reference source not found.;

1.1.5. “Abandonment Security” means the Abandonment security provided pursuant to Article 31.7;

1.1.6. “Accounting Committee” means the accounting committee to be established by the Management Committee pursuant to Article 17.13;

1.1.7. “Accounting Procedure” has the meaning given to it in Article 27.1, including the provisions of Article 11.3.11;
1.1.8. “Acquired Interest” means any CONTRACTOR Interest acquired from time to time by or on behalf of the GOVERNMENT through the exercise of its first right of refusal pursuant to Article 29.4;

1.1.9. “AFE” means an authorisation for expenditure;

1.1.10. “Affiliate” means as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person. For purposes of this definition, the term “control” (including the terms “controlling,” “controlled by” and “under common control with”) of a Person shall mean the possession, direct or indirect, of the power to vote fifty percent (50%) or more of the Voting Stock (other than directors qualifying shares or other de minimis holdings required by applicable laws to be held by other Person(s)) of such Person or ownership, direct or indirect, of fifty percent (50%) or more of the equity interests (other than directors qualifying shares or other de minimis holdings required by applicable laws to be held by other Person(s)) in such Person. With respect to a Person which is an agency or instrumentality of a government, or any subdivision thereof, or is controlled by or under common control with such an agency or instrumentality, “Affiliate” of such Person shall include other agencies or instrumentalities of such government or subdivision thereof and Persons controlled by or under common control with such other agencies or instrumentalities;

1.1.11. “Agreement” means this “GTL Development and Production Sharing Agreement“, including its Appendices and Recitals hereto, as the same may be amended, modified or supplemented from time to time in accordance with the provisions hereof;

1.1.12. “Annual Work Program and Budget” means the specific document describing, item by item, the Petroleum Operations which the CONTRACTOR plans to conduct during a Calendar Year (or part thereof) and the estimated expenditures for such Petroleum Operations, as prepared by the CONTRACTOR in accordance with Article 16.1 and approved by the Management Committee pursuant to Article 16.3, or deemed approved pursuant to Articles 16.4 or 16.7;

1.1.13. “AOC” has the meaning given to it in the Preamble hereto;

1.1.14. “Appointing Authority” shall have the meaning given to such term in Article 34.4;

1.1.15. “Appraisal Well” shall have the meaning given to such term in Article 5.2 for wells drilled to test the Contract Reservoirs to determine the Contract Location;

1.1.16. “Approved EPC Contract Amount” shall have the meaning given to it in Article 10.6;

1.1.17. “BOC” has the meaning given to it in the Preamble hereto;
1.1.18. “Bonuses” means the bonuses payable by the CONTRACTOR to the GOVERNMENT pursuant to Article 21.1 and “Bonus” means any one of the above bonuses;

1.1.19. “BTU” means a British Thermal Unit which is the amount of heat required to raise the temperature of one avoirdupois pound of pure water from 59.0 to 60.0 degrees Fahrenheit at an absolute pressure of 14.696 pounds per square inch;

1.1.20. “Butane” means a natural gas liquid comprising predominantly the fourth member of the paraffin (alkane) hydrocarbon series derived from fractionation of natural gas and which is processed, produced and saved at the NGL Plant and measured at the relevant Delivery Point;

1.1.21. “Calendar Year” means a period of twelve (12) consecutive months beginning on the 1st of January and ending on the following 31st of December according to the Gregorian Calendar;

1.1.22. “Chairman” means the chairman of the Management Committee, as referred to in Article 17.7;

1.1.23. “Claims” means claims, demands, liabilities, losses, damages, and costs (including legal costs, reasonably incurred);

1.1.24. “Company” means each of AOC and BOC individually and their respective permitted successors and assigns;

1.1.25. “Condensate” means natural gas liquids which are predominantly a mixture of C5+ pentanes and heavier components and which are in a gaseous state under reservoir conditions but which become a liquid either in passage up the well or at the surface due to a fall in temperature and/or pressure and includes both Field Condensate and Plant Condensate jointly measured at the Delivery Point;

1.1.26. “Contract Location” means the geographical area within ABCD in the North Field, offshore the State of Qatar, the precise location of which is to be determined in accordance with Article 5.3;

1.1.27. “Contract Reservoirs” means the K1, K2, K3 and K4 reservoirs of the Khuff Formation within the Contract Location, as more precisely described in Appendix “B”, and “Contract Reservoir” means any one of the above reservoirs;

1.1.28. “CONTRACTOR” means AOC and BOC, and their respective permitted successors and assigns;

1.1.29. “CONTRACTOR Interest” means an undivided interest in all or any portion of the rights and obligations of the CONTRACTOR under this Agreement. As of the Signature Date, the CONTRACTOR Interests are held as follows:

(a) AOC _______%; and
1.1.30. “Cost Recovery Petroleum” means for any calendar quarter the quantity of Net Petroleum production available to the CONTRACTOR for the recovery of Petroleum Costs pursuant to Article 18.2;

1.1.31. “Data” means all data, information, maps, reports, studies, statements, accounts, forecasts, tapes, discs, cores, computer software programs and printouts, analysis, evaluations and all other documents, howsoever stored or recorded, and intellectual property generated or collected by a Party or any third party on behalf of a Party with regard to the Petroleum Operations, as referred to in Article 13;

1.1.32. “Delivery Point” means the end of the loading arm on the export products jetty used by the CONTRACTOR at RLIG for that particular kind or component of Petroleum;

1.1.33. “Development Costs” means all Petroleum Costs, including capitalised drilling costs, and the capitalised costs of the design, construction, installation, commissioning and modification of the Facilities, that are not Operating Costs;

1.1.34. “Development Plan” means the final development plan for the Project approved by the GOVERNMENT, as referred to in Article 8.7;

1.1.35. “Effective Date” means the date on which the Emiri Decree has been signed approving this Agreement;

1.1.36. “Emiri Decree” means the decree of the Emir of the State of Qatar approving this Agreement;

1.1.37. “Entitlement” means that quantity of Petroleum that a Party has the right and obligation to receive at the Delivery Point under Article 18 of this Agreement:

1.1.38. “Environmental Baseline Assessment” has the meaning given to such term in Article 9.8;

1.1.39. “Environmental Law” means Law Number (XXXX) for the year 2002 promulgating an environmental protection law;

1.1.40. “EPC Contract” means any engineering, procurement and construction contract entered into by CONTRACTOR pursuant to the Development Plan;

1.1.41. “Ethane” means a gaseous hydrocarbon mixture comprising predominantly the second member of the paraffin (alkane) series derived from fractionation of natural gas and which is processed, produced and saved at the NGL Plant and measured at the relevant Delivery Point;

1.1.42. “Expert” means any person to be appointed pursuant to the Expert Procedure;

1.1.43. “Expert Procedure” has the meaning given to it in Article 34.1;

1.1.44. “Facilities” means all fixed and moveable assets used within and outside of the Contract Location to perform Petroleum Operations, including to appraise, develop, produce, collect, process, treat, liquefy, store and transport Petroleum to the Delivery Points from
time to time, such assets including gas wells, platforms, gas gathering facilities, compressors, pipelines, NGL Plant and GTL Plant and any other processing plant(s), utilities, storage facilities, and export loading facilities (but excluding the cooling seawater supply and outflow and land sites at RLIC for the export products jetty), but including, notwithstanding the above, Shared Project Facilities;

1.1.45. “Facilities Design Capacity” means all production and processing capabilities for NGL Products and GTL Products that the Facilities have been designed to process and produce in the FEED and any subsequent modifications made thereto in the construction and startup phases for the Facilities;

1.1.46. “FEED” means the front-end engineering and design study for the Project;
1.1.47. “FEED Scope” means the scope of FEED report approved by the Steering Committee under the HOA.

1.1.48. “Field Condensate” means Condensate produced, stabilised and saved upstream of the NGL Plant from Gas produced from the Contract Reservoirs;

1.1.49. “FOB” means free on board, in accordance with the version of Incoterms applicable from time to time;

1.1.50. “Force Majeure” means in respect of a Party any event or combination of events which is beyond the reasonable control of that Party which delays, prevents or hinders that Party from the performance of any obligations imposed upon that Party under this Agreement, except the payment of monetary obligations, including the following events given below such as:

(a) any act of God such as an explosion, earthquake, flood, fire, storm, epidemic and any other natural physical disaster;

(b) war (declared or undeclared), act of war, conditions due to war, invasion, hostilities, embargo, blockade or other enemy action;
革命、叛乱、动乱、暴乱、起义、恐怖行为或对恐怖行为的威胁、盗窃或破坏
(d) 停工、停工或其他劳动或工业纠纷；
(e) 法令、法律、法规和任何政府的法令；
(f) 破坏、爆炸、损害或任何设施的机械故障；或
(g) 关闭或不可用的码头、海港、港口或其他设施，这些设施位于与有关交付点相关的地点，用于处理、运输、交付或销售任何种类的石油；

1.1.51. “免费天然气”是指在设施设计容量下可生产的天然气数量减去实际所需的用于满足NGL装置和GTL装置所需的天然气数量；

1.1.52. “天然气”是指自然气和所有其组成部分以及所有非烃类物质；

1.1.53. “总经理”是指由承包商根据第15.3条指定的石油运营总经理；

1.1.54. “GTL装置”是指设施中位于岸上的部分，旨在加工和生产GTL产品；

1.1.55. “GTL产品”是指由GTL装置捕获、生产或制造的所有石油基产品，无论是直接的还是作为副产品，由GTL装置产生，包括石脑油、柴油、航煤和润滑油；

1.1.56. “政府”是指卡塔尔州的政府；

1.1.57. “政府命令”是指任何法令、命令、法案、法令、指示、规则、规定或要求的政府行为（无论是或是否由具有决定权的法院或其他有管辖权的机构决定，该判定无效）；

1.1.58. “政府提供公用事业”在第3.4条中有定义；

1.1.59. “总热值”是指完全燃烧一标准立方英尺的无水气时，空气的温度和压力与气的温度和压力相同，并在燃烧产物冷却到气和空气的初始温度后，凝结形成的水的燃烧所生产的热量，以BTU表示。
1.1.60. “Gross Negligence” means any act or failure to act (whether sole, contributory, joint or concurrent) which seriously and substantially deviates from a diligent course of action or which is in reckless disregard of or indifference to, foreseeable harmful consequences;

1.1.61. “Hazardous Wastes” has the meaning given to it in Article 9.5;

1.1.62. “Infringement” has the meaning given to it in Article 35.6.2;

1.1.63. “Internationally Accepted Petroleum Industry Practices” means good oil and gas field practices generally accepted by the international petroleum industry at the time (including good oil and gas field conservation practices) taking into consideration the local practices generally recognised and observed by the petroleum industry in the State of Qatar including those generally accepted practices applicable to the petroleum operations of the GOVERNMENT;

1.1.64. “Initial Project Scope” has the meaning given to it in Article 3.7;

1.1.65. “Joint Marketing Committee” has the meaning given to it in Article 6.1;

1.1.66. “LIBOR” means the arithmetic average of the offered rates for thirty (30) day U.S. Dollar deposits which appear on the Reuters Screen LIBO Page (i.e., the display designated as Page “LIBO” on the Reuters Monitor Money Rates Service or such other page as may replace the LIBO page on that service for the purpose of displaying London interbank offered rates of major banks) at approximately 11:00 A.M. London time or if this rate is not then available then the rate quoted for thirty (30) day U.S. Dollar deposits by Morgan Guaranty Trust Company at approximately 11:00 A.M., London Time;

1.1.67. “Management Committee” means the committee established under and in accordance with the provisions of Article 17;

1.1.68. “Market Price” means the price of each kind of Petroleum at the relevant Delivery Point determined in accordance with Article 19;

1.1.69. “Marketing Principles and Procedures” has the meaning given to it in Article 6.5;

1.1.70. “Measurement Procedures” has the meaning given to it in Article 20.8;

1.1.71. “Methane” means the first member of the paraffin (alkane) hydrocarbon series;

1.1.72. “MMSCF” means one (1) million SCF, and “MMSCFD” means one (1) million SCF per day;
1.1.73. “Net Petroleum Production” means the quantities of Petroleum produced and saved other than Petroleum unavoidably lost and/or consumed in the conduct of Petroleum Operations or in the processing of Gas into the various components of Petroleum, as measured at the relevant Delivery Point for each such component of Petroleum;

1.1.74. “NGL Plant” means that part of the Facilities located onshore and designed and constructed to process and produce and/or store the NGL Products;

1.1.75. “NGL Products” means all Condensates and all Petroleum based products captured, produced or manufactured, either directly or as a by-product, by the NGL Plant, including Ethane, Propane and Butane;

1.1.76. “Non-Discriminatory Terms” means the terms and conditions prevailing (at the time of consideration of such terms and conditions by the CONTRACTOR for purposes of any of Articles 2.2.6, 2.2.7, 3.4, 14.6, 20.4) at RLIC for access to and use of land, infrastructure, and facilities (or other goods and services) suggested by the CONTRACTOR and agreed upon by GOVERNMENT in writing, as necessary for the Project’s construction, operation, and maintenance, provided that such terms and conditions are not less favourable than those proposed to as a public tariff or agreed with, any other bona fide users of similar or the same land, infrastructure and facilities (or other goods and services), at the time of consideration of such terms;

1.1.77. “North Field” is the area underlying the north-eastern territorial water of the State of Qatar composed of four (4) reservoir units of the Permo-Triassic Khuff Formation;

1.1.78. “Onshore Site” means each land area in RLIC and elsewhere in the State of Qatar on which the CONTRACTOR is entitled to construct, operate, and maintain the onshore portion of the Facilities;

1.1.79. “Operating Costs” means all Petroleum Costs of a non-capital nature incurred or accrued after the Production Commencement Date, including administrative expenses and other fees, tariffs, dues and charges, as determined pursuant to the Accounting Procedure;

1.1.80. “Operator” means the Person(s) appointed pursuant to Article 3.2, or any other third party proposed by the CONTRACTOR and approved by the GOVERNMENT pursuant to Article 3.2 to conduct Petroleum Operations as an operator for and on behalf of the CONTRACTOR;

1.1.81. “Parties” means collectively the GOVERNMENT and the CONTRACTOR, and “Party” means individually either the GOVERNMENT or the CONTRACTOR, as the case may be;

1.1.82. “Person” means an individual, partnership, corporation (including a business trust), company, trust, unincorporated association, joint venture or other entity, whether a body corporate or a non-incorporated association of persons, or a government or any political subdivision or agency or instrumentality thereof;

1.1.83. “Petroleum” means NGL Products and GTL Products and Sulphur, and all other kinds of products processed from Gas (but for greater certainty excluding crude oil and non-hydrocarbon substances other than Sulphur) produced from the Contract Reservoirs;

1.1.84. “Petroleum Costs” means all costs incurred or accrued after the Effective Date by the CONTRACTOR or its contractors directly related to the conduct of Petroleum Operations pursuant to the FEED, the Development Plan and the Annual Work Programs and Budgets,
or which were incurred or accrued in accordance with Articles 16.5 or 16.8 as a result of the CONTRACTOR acting as a Reasonable and Prudent Operator (including costs relating to emergencies), together with such costs accrued after _______ 20 ____ as have been approved by the GOVERNMENT for the technical, conceptual, and pre-FEED and FEED or other preparatory activities for the Project, including process studies, preliminary drilling studies, reservoir simulations, and layout plans prepared by the CONTRACTOR, their Wholly Owned Affiliates, the Operator, or by any other Persons on behalf of the CONTRACTOR or the Operator, the Environmental Baseline Assessment, and any Appraisal Wells drilled before the Effective Date, except for costs which in the opinion of the GOVERNMENT acting reasonably do not meet all of the criteria set out in this definition. Petroleum Costs include without limitation, management, supervisory and technical services and other costs directly related to or required for the installation and commissioning of the Facilities pursuant to the FEED, the Development Plan and the Annual Work Program and Budget. For the avoidance of doubt, Petroleum Costs shall not include the following costs:

(a) all taxes and other remissions paid to governments other than the GOVERNMENT with regard to revenues and income derived from activities within the State of Qatar;

(b) [all interest on borrowings, financing fees, premiums and all other charges paid or costs incurred or accrued by the CONTRACTOR in respect of financing Petroleum Costs]¹;

(c) all Bonuses;

(d) all costs incurred or accrued with regard to the CONTRACTOR’S negotiation of and entering into this Agreement, any financing agreements and all other agreements supplementary to this Agreement, and all amendments thereof from time to time;

¹ If interest costs are not cost recoverable then the CONTRACTOR will require a larger profit split to recover these costs. A larger profit split for the CONTRACTOR goes against QP’s policy of keeping as high a profit split for the GOVERNMENT as possible.
(e) costs incurred as a result of any proven Infringement by CONTRACTOR, its Affiliates, contractors or sub-contractors and any amount paid in settlement of such Infringement;

(f) expenditures in respect of leasing or hiring of equipment, plant, machinery or other property except where such leasing or hiring was included in an Approved EPC Contract Amount, the Development Plan, an approved Work Program and Budget or as a special item by the management Committee;

(g) subject to Article 1.1.84(f) costs in excess of Approved EPC Contract Amounts;

(h) all income taxes paid on behalf of the CONTRACTOR pursuant to Article 22.5;

(i) all fees and other compensation paid to the local agent of the CONTRACTOR; and

(j) all costs incurred or accrued in marketing Petroleum for sale.

1.1.85. “Petroleum Operations” means any and all operations carried out by or on behalf of the CONTRACTOR pursuant to this Agreement for the purposes of appraising, developing, producing, collecting, treating, processing, storing and transporting Petroleum from the Contract Location to the respective Delivery Points in the State of Qatar;

1.1.86. “Plant Condensate” means Condensate that has been produced, processed and saved at the NGL Plant;

1.1.87. “Production Commencement Date” means the first day during which the CONTRACTOR delivers GTL Products under a purchase and sale agreement, provided that the performance tests for the first train of the GTL Plant have been successfully completed;

1.1.88. “Profit Petroleum” means the Net Petroleum Production for a particular calendar quarter less Cost Recovery Petroleum pursuant to Article 18.2;

1.1.89. “Project” means the project for the development and exploitation of the Contract Reservoirs by the construction of the Facilities and the conduct of Petroleum Operations pursuant to and in accordance with this Agreement, as further described in Article 3.8;

1.1.90. “Project Property” means all property, assets or rights owned, acquired or used by the CONTRACTOR from time to time, whether located within or outside the Contract Location or the Onshore Sites, the costs of which have been wholly or partly charged as Petroleum Costs, including all Facilities, without regard to whether or not title has passed to the GOVERNMENT pursuant to Article 24;

1.1.91. “Propane” means a natural gas liquid comprising predominantly the third member of the paraffin (alkane) hydrocarbon series derived from fractionation of natural gas and which is processed, produced and saved at the NGL Plant and measured at the Delivery Point;

1.1.92. “Qatar Income Tax Law” means the Qatar Income Tax Decree Law No. 11 of 1993, as amended from time to time;

1.1.93. “QP” means Qatar Petroleum and its successors;

1.1.94. “R Factor” has the meaning given to it in Article 18.7;
1.1.95. "Reasonable and Prudent Operator" means an operator meeting or surpassing the standards of conduct set forth in Article 11.1;

1.1.96. "RLIC" means Ras Laffan Industrial City in the State of Qatar;

1.1.97. "SCF" of Gas means the volume of Gas required to fill one (1) cubic foot when such Gas is at a base pressure of fourteen and six hundred ninety six thousandths (14.696) pounds per square inch absolute and a base temperature of sixty (60) degrees Fahrenheit;

1.1.98. “Shared Project Facilities” means that proportion of facilities that are utilised, pursuant to Article 14.10, by the CONTRACTOR for the purposes of Petroleum Operations and shared with other Persons, equivalent to the proportion of investment costs for such facilities towards which the CONTRACTOR has contributed;

1.1.99. "Signature Date" means the date first written above as of which this Agreement has been executed;

1.1.100. "Spent Catalyst" means spent and/or contaminated GTL catalyst in accordance with Article 9.11;

1.1.101. "Statement of Petroleum Costs" means the statement of Petroleum Costs for each calendar quarter to be prepared by the CONTRACTOR pursuant to Article 27.4;

1.1.102. “Sulphur” means the product with an atomic number of 16 having a purity of a minimum ninety-nine point eight (99.8%) by weight (dry basis) that has been processed, produced and saved from Petroleum;

1.1.103. “Technical Committee” means the technical committee to be established by the Management Committee pursuant to Article 17.14;

1.1.104. “Tender Committee” means the tender committee to be established by the Management Committee pursuant to Article 17.14;

1.1.105. “Upstream Compression” means wellhead gas stream compression upstream of the NGL Plant to the required delivery pressures at the inlet to the NGL Plant;
1.1.106. "Voting Stock" means capital stock issued by a corporation, or the equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even though the right so to vote has been suspended by the happening of such a contingency;

1.1.107. “Wholly Owned Affiliate” means an Affiliate, except that the relevant percentages in the definition of “Affiliate” are stated to be one hundred percent (100%), mutatis mutandis;

1.1.108. “Willful Misconduct” means any act or failure to act (whether sole, contributory, joint, or concurrent) taken or not taken with an intentional disregard of foreseeable harmful consequences.

1.2. Number and Gender of Terms: Words referencing the singular number shall include the plural and the plural the singular unless the context otherwise requires. Words referencing any gender shall include the other gender.

1.3. Internal References: Unless the context otherwise requires, a reference to an Appendix, Article or Figure shall be a reference to an appendix, article or figure of this Agreement.

1.4. Currencies: “US Dollars”, “United States Dollars” or amounts of money preceded by the symbol “US$”, or “$” refer to currency of the United States of America.

1.5. Generic Terminology: Unless the context requires otherwise, any reference in this Agreement to:

1.5.1. a “month”, “monthly” “calendar quarter”, “quarterly”, “year”, “yearly”, “annual” or “annually” and any other references in time shall be construed by reference to the Gregorian Calendar and any reference to “day” or “daily” shall be construed to mean a calendar day, which shall begin at 00:00 hours and end at 24:00 hours in the State of Qatar (local time);

1.5.2. a “company” means an incorporated limited liability company, joint stock company, corporation or partnership;

1.5.3. “third party” means any Person other than the Parties and their respective Affiliates;

1.5.4. a “contractor” includes any of its subcontractors and their subsubcontractors;

1.5.5. “including”, “include” or “includes” (or any other inflection of such verb) shall be construed to include the words “without limiting the generality of the foregoing” or “without limitation” or “but not limited to” or “inter alia”;
1.5.6. the “personnel” of any of the Parties or any of their respective Affiliates or any third party includes all directors and officers of such parties and all persons employed, hired and/or otherwise engaged by such parties including for greater certainty all agents, representatives and individual contractors;

1.5.7. “assign” generally refers to any kind of transfer of an interest, whether by sale, conveyance, like-kind exchange or otherwise, and “assignment” shall be construed accordingly; and

1.5.8. the phrases “any company forming a part of the CONTRACTOR,” “the companies forming the CONTRACTOR,” and like phrases refer to the Companies.

2. GRANT OF RIGHTS AND CONSENTS

2.1. Representations and Warranties

2.1.1. Each Company hereby represents and warrants to the GOVERNMENT that it is duly organised and validly existing in accordance with the terms of its foundation documents and has or will acquire, and will maintain the required financial ability, technical competence, and professional skills necessary to perform its CONTRACTOR Interest share of the obligations of the CONTRACTOR pursuant to and in accordance with this Agreement, and that it is ready willing and able to do so.

2.1.2. The GOVERNMENT hereby represents and warrants to the CONTRACTOR that it has the power and authority to grant the rights granted to the CONTRACTOR in Article 2.2. The GOVERNMENT hereby undertakes for the term of this Agreement to use reasonable efforts to not to grant to any other Person any rights that would materially conflict with or be inconsistent with the rights granted to the CONTRACTOR under this Agreement. The Parties acknowledge and agree that the exercise at any time by the GOVERNMENT of its rights in accordance with Articles 2.3, 14.7 and 14.10 of this Agreement shall not be considered as being in material conflict with or inconsistent with the rights granted to the CONTRACTOR under this Agreement.

2.1.3. Each Party represents and warrants to the other Party that this Agreement (including for greater certainty alt Appendices) has been duly and validly authorised, signed and delivered by such Party, and therefore constitutes a valid, effective and binding agreement of such Party, and that this Agreement is enforceable against such Party in accordance with its terms and conditions. Each Party further represents and warrants to the other Party that the execution and carrying out of this Agreement by such Party shall neither violate, nor conflict with, nor result in any default of any of the terms, conditions or provisions of any applicable laws, regulations, corporate charters or by-laws or to the best of its knowledge and belief any commitments, obligations, or agreements of such Party.
2.1.4. The GOVERNMENT represents and warrants to the CONTRACTOR that QP has all the necessary power and authority vested in it to act for and bind the GOVERNMENT under this Agreement. The GOVERNMENT shall ensure that QP performs its obligations and the obligations of the GOVERNMENT specified in this Agreement except for any obligations that the GOVERNMENT wishes to perform in its own name.

2.1.5. Subject only to Article 35.4, each Party undertakes to defend, indemnify, and hold the other Party and their respective Affiliates harmless from and against all Claims arising from or related to the breach of a representation or warranty given by such Party in Article 2.1.

2.2. Grant of Rights: Subject to the provisions of this Agreement, including the rights reserved by the GOVERNMENT pursuant to Article 2.3, the GOVERNMENT hereby grants to the CONTRACTOR during the term of this Agreement:

2.2.1. the exclusive right to drill the Appraisal Wells within ABCD in order to properly appraise the reservoir and determine the Contract Location;

2.2.2. the exclusive right to appraise, develop, produce, collect, transport to shore, treat and process the Gas into the various components of Petroleum, including NGL Products and GTL Products, from the Contract Reservoirs in the Contract location;

2.2.3. the right to sell, transport and export its Entitlement to NGL Products and Sulphur, to sell its Entitlement to Ethane to the GOVERNMENT and the right to market and sell its entitlement to the GTL Products;

2.2.4. the exclusive right to occupy and use offshore areas within the Contract Location selected the CONTRACTOR and approved by the GOVERNMENT for the purposes of constructing and operating offshore drilling, production and processing Facilities (except that the right in respect of Shared Project Facilities, if any, shall be non-exclusive);

2.2.5. the exclusive right to conduct Petroleum Operations;

2.2.6. the exclusive right to occupy and use, on Non-Discriminatory Terms, Onshore Sites at RLIC selected by the GOVERNMENT and accepted by the CONTRACTOR for the purposes of constructing, operating and maintaining the onshore Facilities (except that the right in respect of Shared Project Facilities, if any, shall be non-exclusive) and for performing Petroleum Operations;

2.2.7. subject to the consent of the GOVERNMENT and the rights of Persons existing at the time of the GOVERNMENT giving its consent, access to the airspace and the areas of the surface and subsurface of the sea within the State of Qatar necessary for the conduct of Petroleum Operations, including for greater certainty, to use rights of way and easements to build pipelines and related facilities for the transport of all kinds of Petroleum resulting from Petroleum Operations to the relevant Delivery Points and other materials to and from the Facilities sites;

2.2.8. the right to import, export and convert funds to any freely convertible non-Qatari currency, which right shall also extend to non-Qatari contractors employed by the CONTRACTOR to carry out Petroleum Operations, to receive and retain funds outside the State of Qatar including all proceeds from the sale of its Entitlement, to maintain and operate bank accounts in whatsoever currency or name and wheresoever situated, to retain or dispose of any funds therein; to transfer funds out of Qatar, and to make all necessary payments outside the State of Qatar in respect of the construction, operation, maintenance
and financing of the Project, the payment of dividends, the distribution of profits, and the payment of hired staff and of seconded staff and services supplied by a Party or its Affiliates, all in accordance with Article 28;

2.2.9. the right to freely import (subject to applicable customs laws and regulations in the State of Qatar) goods and services required for or used in the performance of Petroleum Operations;

2.2.10. the right to use the services of and employ personnel seconded by QP and the entities comprising CONTRACTOR and their respective Affiliates, and/or other Persons, pursuant to the terms of secondment and services agreements;

2.2.11. the exclusive right to dispose of subject to Article 6, its Entitlement; and

2.2.12. the right to carry out all other activities necessary or desirable as a Reasonable and Product Operator for the proper conduct of Petroleum Operations.

2.3. GOVERNMENT Rights Reserved: The GOVERNMENT hereby reserves for itself, all rights not granted exclusively to the CONTRACTOR by Article 2.2, including the right to:

2.3.1. explore for and produce substances other than Petroleum from any formations and reservoirs lying within ABCD, including the Contract Location;

2.3.2. explore for and produce Petroleum from any formations and reservoirs other than the Contract Reservoirs once the Contract Location has been determined pursuant to Article 5.3;

2.3.3. construct and install facilities in, and pipelines through the territory of the State of Qatar, including the Contract Location, as well as the right from time to time to utilise the surface and subsurface of the territory of the State of Qatar, including the Contract Location, at those locations and for those purposes as may be reasonably required; and

2.3.4. grant any reserved right under Article 2.3, or any title or interest in relation thereto, to any Person.
2.4. Limitation: The rights reserved by the GOVERNMENT in Article 2.3 shall be exercised by
the GOVERNMENT in such a manner so as not to endanger, prejudice or otherwise
materially hinder or interfere with Petroleum Operations, including the principle of “first
come first served”, as referred to in Article 14.7.

2.5. Discovery of Substances other than Petroleum: If, during the conduct of Petroleum
Operations, the CONTRACTOR discovers any deposits of substances other than Petroleum,
the CONTRACTOR shall not use, exploit or otherwise remove such substances but shall
forthwith inform the GOVERNMENT in writing of such discovery. For the avoidance of doubt,
CONTRACTOR shall have no right to any such substances, including any preferential rights
to develop and exploit such discovered substances.

2.6. Quantity of Gas: The CONTRACTOR shall have the right to produce such quantity of
wellhead gas as required to yield up to a maximum quarterly average calendar day rate of
_____ thousand (____,000) MMSCFD for the term of this Agreement, provided that at all
times the CONTRACTOR in conducting Petroleum Operations acts as a Reasonable and
Prudent Operator. The CONTRACTOR shall not have the right to produce any greater
quantity of Gas than the amount stated in this Article 2.6, subject however to the
GOVERNMENT’s right to Free Gas pursuant to Article 7.1.1.

3. SCOPE AND PROJECT PRINCIPLES

3.1. Petroleum Operations: Subject to the terms and conditions of this Agreement, the
CONTRACTOR is hereby appointed and agrees to serve as the Party having the exclusive
right and obligation to conduct Petroleum Operations under this Agreement.

3.2. Operator² under this Agreement: As of the Effective Date, ____________ shall be the
Operator. The Operator shall act as an agent and conduct, either itself or through
contractors, on behalf of the CONTRACTOR, the day by day Petroleum Operations according
to the rights, privileges, powers and discretions given to the CONTRACTOR, and the
CONTRACTOR shall procure that the Operator shall at all times comply with the terms and
conditions of this Agreement. Any change of Operator under this Agreement, in order to
become effective, shall require a request from the CONTRACTOR and the prior written
approval of the GOVERNMENT. The Operator ceasing to be wholly owned by one of the
Companies individually or by the Companies collectively, shall be deemed a change of
Operator, and shall require the prior written approval of the GOVERNMENT. Notwithstanding
the appointment of ____________ or any other Person as the Operator, the CONTRACTOR
shall remain solely responsible for the performance of all of its obligations and liabilities set
forth in this Agreement including for greater certainty the conduct of Petroleum Operations.

² There are at least three distinct components within a GTL project that could have a
separate Operator: (i) the upstream gas production facilities, (ii) the NGL Plant facilities and
(iii) the GTL Plant facilities. A large CONTRACTOR, like ExxonMobil or Shell, will have the
ability to operate all three components. A smaller CONTRACTOR, like Ivanhoe, may be able
to directly operate only the upstream portion of the Project and will have sub-contractors
operating the NGL Plant and the GIL Plant. The question arises whether we want to provide
for multiple Operators in this GTL DPSA or do we just want to have a single Operator? The
benefits of naming a single Operator include: (i) QP will only have to look to one Party for
all operational issues and (ii) when there are operational issues between the various
portions of the project there will be one party seeking to resolve the problems. The
disadvantage is that the named Operator will probably have to go to one of its sub-
contractors to get answers to our questions.
3.3. Project Facilities: The CONTRACTOR shall cause the upstream offshore portion of the Facilities to be designed for wellhead gas production and treatment in order to achieve production of the Gas quantity specified in Article 2.6. The NGL Facilities and the GTL Facilities shall be constructed to efficiently produce, respectively, the quantities of NGL Products and GTL Products such Facilities were designed to produce in the FEED.

3.4. GOVERNMENT Facilities: Infrastructure of the GOVERNMENT or QP necessary for Petroleum Operations (such as Onshore Sites, cooling seawater supply and outflow, export products jetty construction and land sites at RLIC), shall be provided to the CONTRACTOR by the GOVERNMENT or QP for use in the conduct of Petroleum Operations on Non-Discriminatory Terms. The GOVERNMENT or QP shall provide to the CONTRACTOR the utilities specified in Appendix “D” (“Government Provided Utilities”). Subject to Article 18.11, such GOVERNMENT infrastructure shall not be funded, designed, constructed, operated, or maintained by the CONTRACTOR as part of the Project or the Facilities. If GOVERNMENT infrastructure for the NGL Products and/or the GTL Products storage tanks and/or the export products jetty at RLIC are not available, or in the reasonable opinion of the CONTRACTOR, will not be available on a timely basis then the CONTRACTOR may develop and implement the same at its own cost, such cost to be included as a part of the Petroleum Costs. Subject to the foregoing, the CONTRACTOR shall endeavour in conducting Petroleum Operations to utilise, to the greatest extent reasonably possible from time to time, the existing and available facilities in the State of Qatar on terms and conditions to be agreed by the GOVERNMENT and the CONTRACTOR, provided that the utilisation of such facilities and services would be economically beneficial to the Project.

3.5. Petroleum Costs: The CONTRACTOR shall finance, bear and pay when due all the costs, expenses and other expenditures associated with the conduct of all Petroleum Operations and for the performance of all of its other obligations under this Agreement.

3.6. Good Faith and Co-operative Working Relationship: The GOVERNMENT and the CONTRACTOR shall endeavour at all times to act in good faith under this Agreement and to continue and enhance the co-operative working relationship between the Parties. Whenever the consent of a Party is required under this Agreement, such Party shall first grant a fair opportunity to the other Party to draw relevant factors to such Party’s attention. Thereafter, the Party whose consent is requested shall give due consideration to all factors, including those brought to its attention by the other Party. Whenever the consent or approval of the GOVERNMENT is required in the course of carrying
out the Petroleum Operations, QP shall use reasonable efforts to assist the CONTRACTOR in obtaining such consent or approval.

3.7. Initial Project Scope: The Project scope as proposed and assumed under the HOA is for the production of approximately 2,250 million standard cubic feet of gas per stream day from the Contract Location from which will be derived approximately 120,000 barrels per stream day of NGL Products and 185,000 barrels per stream day of GTL Products and eventually approximately 98 million standard cubic feet of Ethane per stream day (“Initial Project Scope”).

3.8. Scope of Project: The scope of the Project is to develop and exploit the Contract Reservoirs to produce sufficient quantities of Gas to deliver Gas to the NGL Facility and the GTL Facility and to produce the NGL Products and the GTL Products, all in accordance with the terms and conditions of this Agreement. The Project will include the design, construction, operation and maintenance of all the Facilities.

3.9. Production Commencement Date: The CONTRACTOR shall use reasonable endeavours to ensure that the Production Commencement Date occurs not later than ____ (___) years after determination of the Contract Location pursuant to Article 5.3.

3.10. Minimum Petroleum Capacity Build-up³: The CONTRACTOR’S minimum Petroleum capacity build-up, as measured over successive 12 month periods beginning on the Production commencement Date, as a percentage of the Facilities Design Capacity, shall be as follows:

3.10.1. year 1 - ________ percent (----%);

3.10.2. year 2 - ________ percent (----%); and

3.10.3. year 3 - one hundred percent (100%).

3.11. Sharing of Production: During the term of this Agreement, the NGL Products and the GIL Products resulting from Petroleum Operations shall be allocated between the GOVERNMENT and the CONTRACTOR in accordance with the provisions of this Agreement, and each Party shall have the right and the obligation, subject to Articles 6 and 7, to take in kind and dispose of its Entitlement.

³ This Article may not be needed or may be unworkable on a GIL project. It works fine in an upstream development DPSA. But where there are separate trains being added to the NGL Facilities and the GTL Facilities on a planned basis, this language does not fit well with those planned staged developments.
4. TERM AND EXTENSION

4.1. Term: Subject to the issuance of the Emiri Decree, the term and effectiveness of this Agreement shall commence on the Signature Date and expire on the twenty-fifth (25th) anniversary of the Production Commencement Date.

4.2. Extension of Term: Either Party shall have the right, upon at least eighteen (18) months notice to the other Party prior to the expiry of the term of this Agreement, to make a request for an extension to the term of this Agreement for a period not to exceed five (5) years. Any such request shall be given due consideration by the other Party, taking account of relevant circumstances, including, the fact that the Facilities may continue to be technically viable and that long term demand for the supply of Petroleum may continue to exist. Any extension of the term of this Agreement (after such due consideration by the Parties) shall be on such terms and conditions as the GOVERNMENT and the CONTRACTOR may agree. If the Parties cannot agree on the terms and conditions for an extension, this Agreement shall expire in accordance with Article 4.1.

5. CONTRACT LOCATION AND APPRAISAL WELLS

5.1. Contract Location: The Contract Location shall be an area in the North Field, within ABCD and shall comprise an area inclusive of a buffer zone having a perimeter of one (1) kilometre (within which no drilling for production or development by the CONTRACTOR shall occur). The Contract Location shall be of dimensions sufficient to enable the production of a wellhead gas stream that yields a Gas quantity sufficient to meet the lesser of ________ MMSCF Gas per day or the Facilities Design Capacity. The precise co-ordinates of the Contract Location shall be mutually agreed in accordance with the procedure set out in Article 5.3. The criteria (as simulated and/or estimated at the date of determination of the Contract Location in accordance with Article 5.3) for the determination of the Contract Location in accordance with Article 5.3 shall include that: (i) it could sustain the production of a wellhead gas stream which yields a Gas quantity without Upstream Compression during the term of this Agreement sufficient to meet the lesser of ________ MMSCF Gas per day or the Facilities Design Capacity; (ii) it would not require excessive development costs; (iii) the gas water contact is avoided in the K4 reservoir and (iv) uses good petroleum industry conservation practices with respect to spacing of producing wells and corresponding production rates.

5.2. Appraisal Wells. The CONTRACTOR shall drill one or more appraisal wells in accordance with the following procedure (an “Appraisal Well”):

5.2.1. If it has not done so already under the HOA, not later than one (1) calendar month after the Effective Date, the CONTRACTOR shall submit to the GOVERNMENT for its approval, a work program and budget for the drilling of the Appraisal Well(s) to determine the Contract Location, setting out (i) the geographical co-ordinates within ABCD for spudding; (ii) the target depth; (iii) the drilling techniques to be employed; and (iv) the timing and direction of drilling.

5.2.2. The CONTRACTOR shall have the right, after due consultation with the GOVERNMENT (i) to test, and if necessary retest, each such Appraisal Well, to the extent it deems reasonably necessary, in order to achieve the objective of each such well; (ii) to complete each such well for purposes of its use as a production well; (iii) to plug any such well temporarily for possible future completion; or (iv) to plug and abandon any such well.
5.2.3. If it has not done so already under the HOA, not later than three (3) calendar months after the Effective Date, the CONTRACTOR shall drill the first Appraisal Well to the K4 reservoir in accordance with the work program and budget approved under Article 5.2.1, and, at its option, the CONTRACTOR may drill up to two (2) additional Appraisal Wells.

5.2.4. Notwithstanding Articles 5.2.1 and 5.2.3, if the CONTRACTOR has, prior to the execution of this Agreement, drilled one or more Appraisal Wells to determine the Contract Location, then such Appraisal Wells shall be substituted, in all respects, for any Appraisal Wells required under this Agreement.

5.3. Contract Location Determination. If a Contract Location has not already been determined under the HOA, then the precise dimensions and coordinates of the Contract Location will be mutually agreed as follows:

5.3.1. The CONTRACTOR shall deliver to the GOVERNMENT interim and final well reports, including the results of testing, if any, reasonably promptly after (i) each Appraisal Well has reached the target depth in the K4 Contract Reservoir and (ii) the completion of testing.

5.3.2. The CONTRACTOR may at any time following the Effective Date and, in any event, no later than sixty (60) days following the completion of testing of the first Appraisal Well drilled in accordance with Article 5.2.3 or, if the CONTRACTOR drills further Appraisal Wells, completion of testing of the last of any such additional Appraisal Wells, submit a proposal to the GOVERNMENT for establishing the dimensions and coordinates of a contract location meeting the requirements set out in Article 5.1.

5.3.3. The GOVERNMENT shall give prompt consideration to such CONTRACTOR proposal, and shall, as soon as practicable, and in any event no later than thirty (30) days following the receipt of such proposal and the information referred to in Article 5.3.1, either consent to it or propose to the CONTRACTOR alternative dimensions and co-ordinates for a contract location meeting the requirements of Article 5.1.

5.3.4. If the GOVERNMENT submits an alternative proposal and the CONTRACTOR does not accept it, the Parties shall negotiate in good faith and endeavour to agree a compromise as soon as practicable following the submission of such alternative proposal.

5.3.5. Promptly upon (i) the CONTRACTOR’S receipt of the GOVERNMENT’S consent or the CONTRACTOR’S acceptance of any GOVERNMENT alternative proposal or (ii) in the event of a negotiation pursuant to Article 5.3.4, upon conclusion of such negotiation, the Parties shall enter into an amendment of this Agreement supplementing Appendix “A” with a map and data indicating the dimensions and co-ordinates of the Contract Location.

5.3.6. The CONTRACTOR anticipates that, in normal circumstances (including that the results of the Appraisal Wells enable the identification of a contract location in conformity with the criteria set out in Article 5.1) it should be feasible to determine the Contract Location by mutual agreement in good faith within a period of fifteen (15) months after the Effective Date. If, however, the Parties fail to agree the precise dimensions and coordinates of the Contract Location within twenty four (24) months of submission of the CONTRACTOR’S proposal of a contract location pursuant to Article 5.3.2, despite endeavours by each Party to negotiate in good faith, then either the GOVERNMENT or the CONTRACTOR shall have the right to terminate this Agreement in accordance with Article 30.6.

5.4. Cost Recovery: The costs of drilling, servicing, testing, and (as the case may be) completion, temporary plugging or plugging and abandonment of each Appraisal Well shall
be Petroleum Costs recoverable from Net Petroleum Production in accordance with Article 18. Any Petroleum produced, if saved, from testing shall be considered Net Petroleum Production for the purposes of this Agreement.

5.5. Reduction of the Contract Location: If the FEED fails to support the NGL Products or the GTL Products quantity assumed in the Initial Project Scope and/or the as-constructed Facilities fail to perform, after CONTRACTOR’s good faith efforts to remedy such failure, so as to deliver the NGL Products or the GTL Products quantity such Facilities were designed to produce in the FEED, then QP shall, upon ninety (90) days notice to the CONTRACTOR, have the right to require a new determination of the Contract Location which shall take into consideration the then existing conditions, including the actual Facilities deliverability of NGL Products and GTL Products, in addition to those facts and conditions previously considered in the original determination of the Contract Location.

5.6. Expansion of the Contract Location: If, during the term of this Agreement, the CONTRACTOR can demonstrate to the reasonable satisfaction of the GOVERNMENT that, after employing all Petroleum Operations that a Reasonable and Prudent Operator would utilise to increase production, it would be unable to produce from the Contract Location, a wellhead stream which yields a Gas quantity sufficient to meet the lesser of ______ MMSCF Gas per day or the Facilities Design Capacity, then the Parties shall expand the Contract Location within the North Field to enable sufficient Export Gas to be produced. The Parties acknowledge and agree that the criteria referred to in Article 5.1(i) and (ii) shall not be applied when determining whether an expansion of the Contract Location is necessary.

6. SALE AND MARKETING OF PETROLEUM

6.1. Joint Marketing and Sale: The CONTRACTOR and the GOVERNMENT shall jointly market and sell all of the CONTRACTOR’S Entitlement and the GOVERNMENT’S Entitlement of each kind, grade and type of Petroleum. As between themselves, the GOVERNMENT and each Company shall nevertheless severally sell according to the Marketing Principles and Procedures and be responsible for their respective pro rata shares of NGL Products and GTL Products. For purposes of developing export markets for NGL Products and GTL Products and for negotiating and recommending to the Parties, sales contracts and other agreements for the sale of NGL Products and GTL Products, the Parties shall establish a joint marketing committee solely dedicated to the Project, based upon equal representation ("Joint Marketing Committee"). The Parties’ joint marketing effort shall always be subject to the principle that they use their reasonable efforts to try to obtain the highest possible price from time to time for the sale of NGL Products and GTL Products. The Joint Marketing Committee shall negotiate sales contracts and other agreements for the sale of NGL Products and GTL Products on a joint basis to buyers at prices and upon terms common to the Parties and such NGL Products and GTL Products shall be sold on such terms and conditions.

6.2. Formation of Joint Marketing Committee: Each Party shall promptly after the Effective Date appoint three (3) representatives to the Joint Marketing Committee and give notice to the other Party of the names of such Party’s representatives. Each Party shall have the right to replace any or all of the representatives appointed by it at any time at its sole discretion and it shall notify the other Party accordingly. Actions taken by the Joint Marketing Committee shall require the unanimous consent of the Parties’ representatives. The Joint Marketing Committee shall first meet within thirty (30) days after the date on which the Parties have appointed their representatives to the committee. The Joint Marketing Committee shall report monthly to the Management Committee on its activities. The Joint Marketing Committee shall negotiate such sales contracts and other agreements for the sale
of GTL Products. The Operator shall represent the Companies in the Marketing Committee and shall exercise the rights and perform the obligations of the Companies under Article 6 on behalf of the Companies.

6.3. Offtake Agreement: Notwithstanding the provisions of Articles 6.1 and 6.2, the Parties shall, when required by market conditions or those parties financing the Project, have the right to enter into long term offtake agreements with one or more established buyers of NGL Products and GTL Products on such terms and conditions are prevailing at the time such offtake agreements are negotiated and executed.

6.4. Marketing Costs: Notwithstanding the provisions of Articles 6.1 and 6.2, all costs of marketing the Parties’ Entitlements shall not be a part of Petroleum Costs and shall be borne by the Parties individually. Costs and expenses associated with the attendance and participation of a Party’s representatives at meetings of the Joint Marketing Committee shall be borne individually by that Party. Marketing costs associated with the sale of the parties’ Entitlements shall be borne proportionately based on the quantities of each Party’s Entitlement.

6.5. Marketing Principles and Procedures: The Parties shall use best endeavours to agree within twelve (12) months of the Effective Date, or within such longer period as the Parties may agree, on mutually acceptable marketing principles and procedures, but including the principles set out in Articles 6.1, 19.2, 19.3 and 19.5 (“Marketing Principles and Procedures”).

6.6. Right and Obligation to Take in Kind: Subject to Article 6.1, the GOVERNMENT and the CONTRACTOR each shall have the separate and several (but not joint, or joint and several) right and obligation to take in kind at the relevant Delivery Points and dispose of (including export subject to Articles 6.5 and 6.5) its Entitlement of each type, grade and kind of NGL Products and GTL Products in accordance with the terms and conditions of this Agreement including, for greater certainty, the Marketing Principles and Procedures.

6.7. Delivery Points for Petroleum: In respect of each type or kind of GTL Product the Delivery Point shall be individually determined based on Internationally Accepted Petroleum Industry Practices.

6.8. Berth and Port Users Agreement: Notwithstanding Article 6.7, CONTRACTOR and QP shall enter into a berth and port users agreement with RLIC in substantially the same form as Appendix “F”.

7. FREE GAS AND ETHANE

7.1. Free Gas

7.1.1. Subject to Article 7.1.2, if the CONTRACTOR at any time has the capacity to deliver Free Gas it shall notify the GOVERNMENT of its ability to do so and the quantities and duration of such potential delivery of Free Gas. Within sixty (60) days after its receipt of such notice the GOVERNMENT may, at its sole option, elect to have the CONTRACTOR deliver such Free Gas to the GOVERNMENT.
The concept of providing Free Gas to the Government from any excess offshore upstream production capacity runs counter to the concept of choosing the smallest possible Contract Location. However, in the event the NGL Plant or the GTL Plant does not perform as projected, then the Government may wish to take advantage of any excess Gas production capacity the Contractor has constructed in the Facilities.
7.1.2. Elections by the GOVERNMENT to receive Free Gas pursuant to Article 7.1.1 shall:
be subject to the Free Gas nomination procedures. The Parties shall use best endeavours to agree no later than three (3) months before the proposed delivery date of Free Gas on mutually acceptable Free Gas nomination procedures, in accordance with Internationally Accepted Petroleum Industry Practices; and

be subject to the CONTRACTOR’S optimum Gas production level in accordance with the standards of a Reasonable and Prudent Operator and Article 11.1.7.

7.1.3. If there exists excess capacity in the Facilities to process Free Gas to recover Condensates, Propane, Butane and Ethane, then all such Condensates, Propane, Butane and Ethane produced in connection with the production and processing of Free Gas shall be considered Net Petroleum Production for purposes of cost recovery and production sharing under Article 18.

7.1.4. Deliveries of Methane, and any quantities of Propane, Butane and Ethane that are not able to be recovered from the Free Gas, shall be made without any payment by (the GOVERNMENT to the CONTRACTOR.

7.1.5. The Parties shall mutually agree on the Free Gas Delivery Point.

7.1.6. All Petroleum Costs associated with production and delivery of Free Gas by the CONTRACTOR shall be cost recoverable pursuant to Article 18.

7.2. Ethane:

7.2.1. The CONTRACTOR shall design the NGL Facilities and the GTL Facilities to have the ability to recover Ethane from Gas. At the GOVERNMENT’s request, CONTRACTOR shall install Ethane recovery facilities, provide that the costs of such additional facilities are commercially justifiable. The GOVERNMENT and the CONTRACTOR shall severally but not jointly sell to the GOVERNMENT or to a company or companies nominated by the GOVERNMENT (the “Ethane Buyer”), their respective Entitlements to Ethane produced under this Agreement at an Ethane Delivery Point:

7.2.2. The GOVERNMENT and the CONTRACTOR shall use best endeavours to agree within twelve (12) months after the notice in Article 7.2.1, or within a shorter or longer period as the Parties may agree, on mutually acceptable Ethane specifications.

7.2.3. The GOVERNMENT and the CONTRACTOR shall use best endeavours to agree within twelve (12) months after the notice in Article 7.2.1, or within a shorter or longer period as the Parties may agree, on the terms of a sale and purchase agreement with an Ethane Buyer.

7.2.4. Notwithstanding any other provision of this Agreement, the CONTRACTOR shall not flare Ethane without the consent of the GOVERNMENT, save that, if from time to time the Ethane Buyer does not take the Ethane or the Facilities are unable to produce Ethane, the CONTRACTOR may blend such Ethane with Methane for use in the GTL Plant.

8. DEVELOPMENT PLANS and FEED

8.1. Preliminary Development Plan: The CONTRACTOR shall use reasonable endeavours to submit a preliminary development plan to the GOVERNMENT on or before ______________________. Such preliminary development plan shall be based on the FEED Scope and shall be for informational purposes only. Notwithstanding the foregoing,
the GOVERNMENT shall have the right to request clarification of, discuss the implications of and propose modifications to any or all portions of the preliminary development plan with the view that such communications and the resulting understandings will be incorporated into the final development plan.

8.2. FEED

8.2.1 FEED Commencement: If it is not already done so under the HOA, CONTRACTOR shall proceed with the FEED within sixty (60) days after the Effective Date. Notwithstanding the foregoing, the Management Committee may, subject to Article 30, extend the commencement time for the FEED upon application by the CONTRACTOR and for good cause shown.

8.2.2 FEED Management: As soon as possible after the Effective Date, if it has not already done so under the HOA, the CONTRACTOR shall nominate a manager for the FEED Project (the “Project Manager”). The Project Manager shall report to the General Manager and shall, among other things:

8.2.2.1 prepare a staffing plan for the FEED Project and the FEED Management Team (as defined below)

8.2.2.2 prepare FEED Project budgets and business plans for the Management Committee’s approval;

8.2.2.3 liaise with the CONTRACTOR and QP to identify suitable staff for secondment to the FEED Management Team;

8.2.2.4 undertake, in accordance with guidelines agreed by the Management Committee, the day to day management of the FEED and the FEED Management Team;

8.2.2.5 establish procedures for the control and tracking of the execution of the FEED, the costs of the FEED and the various components of the FEED;
8.2.2.6 submit reports to the Management Committee as required by the Management Committee;

8.2.2.7 undertake such other work assigned to him by the Management Committee; and

8.2.2.8 schedule and conduct regular review meetings with the Parties’ technical, commercial, legal and financial advisors.

8.2.3 FEED Management Team: CONTRACTOR shall manage the FEED through an integrated FEED management team (“Feed Management Team”). CONTRACTOR shall determine the makeup of the Feed Management Team and shall submit the list of members to the Management Committee for its review and approval. The Management Committee shall have the right to request the replacement of any of the individual members thereof. Notwithstanding the foregoing, QP shall have the right to nominate a Deputy Project Manager, who shall be reasonably acceptable to CONTRACTOR, and who shall report to the Project Manager. In selecting and nominating members of the FEED Management Team the CONTRACTOR shall always be mindful of its obligations under Articles 15.5 and 15.6. The FEED Management Team may contain, on an as needed basis, whether full-time or part-time the following disciplines:

8.2.3.1 Project Management
8.2.3.2 Process Design
8.2.3.3 Process Control
8.2.3.4 Commissioning
8.2.3.5 Environmental Services
8.2.3.6 Civil Engineering
8.2.3.7 Electrical Engineering
8.2.3.8 Fire Engineering
8.2.3.9 Mechanical Engineering
8.2.3.10 Fired heaters
8.2.3.11 Heat Exchangers
8.2.3.12 Instrumentation and Control
8.2.3.13 Piping and Layout
8.2.3.14 Rotating Equipment and Packages

8.2.3.15 Vessels

8.3. Final Development Plan: The CONTRACTOR shall submit a final development plan for the Project to the Management Committee for its approval no later than __________ (___) days after the completion of the FEED.

8.4. Development Plan Contents: Each of the proposed and final development plans shall be consistent with the terms of this Agreement and Internationally Accepted Petroleum Industry Practices and shall include and take into account:

8.4.1. results of the Petroleum Operations to date;

8.4.2. the results of the communications regarding the preliminary development plan from Article 8.2.1;

8.4.3. the results of the FEED and any other studies undertaken in the implementation of the Facilities;

8.4.4. technical description of the nature and performance characteristics of the Contract Reservoirs, including the estimated recoverable reserves of Gas;

8.4.5. the plan of development and resulting work programs of the Project pursuant to the FEED;

8.4.6. the Project implementation schedule and execution plan pursuant to the FEED;

8.4.7. provisions in the Development Plan for the provision of Ethane as a separate NGL Product in approximately the year 2013 subject to the GOVERNMENT’s need for Ethane at such time; 5

8.4.8. the budget of estimated Development Costs and Operating Costs necessary to implement the development plan;

8.4.9. the anticipated production profile for Gas, NGL Products and Petroleum, and if applicable, Ethane;

8.4.10. an economic analysis of the proposed development;

8.4.11. environmental impact, measures to protect the environment and a contingency plan for the handling of emergencies;

8.4.12. proposals on location, spacing, target depth, drilling and completion of well(s);

5 This provision is specific to Ivanhoe at this time but may be needed if Ethane production is included in DPSAs with other Contractors.
8.4.13. proposals for production, storage, transportation and delivery of Petroleum;

8.4.14. a description of the Facilities, including the upstream offshore portion, the NGL Facility and the GTL Facility; and

8.4.15. a preliminary Abandonment Plan.

8.5. Delivery of Market Data With Development Plan: On or before the dates on which the CONTRACTOR submits a proposed final development plan pursuant to Articles 8.1 and 8.3, the CONTRACTOR shall also submit to the GOVERNMENT data on the status of and forecast for market commitments for Petroleum.

8.6. Management Committee Approval of Development Plan: Within _______ (__) days from the date of submission by the CONTRACTOR of the final development plan, the Management Committee shall either:

8.6.1. approve the final development plan and promptly thereafter the CONTRACTOR shall submit such final development plan to the GOVERNMENT for final approval; or

8.6.2. propose such revisions to the final development plan as it may deem advisable and, within _______ (__) days thereafter, the CONTRACTOR shall revise such development plan accordingly and submit it to the GOVERNMENT for final appeal. Notwithstanding the foregoing, the Management Committee shall not have the right to disapprove the development plan nor to require any changes thereto on the basis of the information submitted regarding the preliminary Abandonment Plan.

8.7. GOVERNMENT Approval: Within _____ (__) days from the date of submission of the final development plan, the GOVERNMENT shall either:

8.7.1. approve such development plan (any such finally approved development plan shall be the “Development Plan”); or

8.7.2. disapprove such proposed development plan, in which event the GOVERNMENT shall submit its own alternative development plan, either by substitution or amendment to the proposed development plan, prepared in compliance with the criteria set out in Article 8.1 and shall detail its reasons for not approving the final development plan submitted by the CONTRACTOR. Notwithstanding the foregoing, the GOVERNMENT shall not have the right to disapprove the proposed final development plan nor to require any changes thereto on the basis of the information submitted regarding the preliminary Abandonment Plan.

8.7.3. In the event the GOVERNMENT has submitted an alternative development plan, then the Management Committee shall meet within thirty (30) days of receipt by the CONTRACTOR of the GOVERNMENT’S written notification of, and a copy of, such an alternative plan and shall in good faith discuss the requested amendments made by the GOVERNMENT to the CONTRACTOR’S proposed development plan. Any agreed revision to the development plan submitted by the CONTRACTOR shall be incorporated into the development plan, which shall be approved by the GOVERNMENT. If, after due consideration, the Parties cannot agree to a development plan within twelve (12) months of the commencement of such discussions, the GOVERNMENT and/or the CONTRACTOR may terminate this Agreement without any further action from, or liability to, the other Party.

8.8. CONTRACTOR to Implement Development Plan: Upon approval of the Development Plan, the CONTRACTOR shall, in an expeditious manner, conduct all Petroleum Operations
as a Reasonable and Prudent Operator, necessary or desirable to implement such Development Plan.

8.9. Failure to Submit or Implement a Development Plan: This Agreement may be terminated by either Party upon notice to the other Party, and if so terminated, the CONTRACTOR shall be deemed to have relinquished all its rights to proceed with the Project, if the CONTRACTOR fails:

8.9.1. to submit a proposed preliminary development plan when required by Article 8.1 or a proposed final development plan when required by Article 8.3;

8.9.2. to promptly and diligently implement the Development Plan in accordance with its terms and this Agreement and such failure continues for a period of ninety (90) days after the GOVERNMENT has provided the CONTRACTOR with notice of such failure (provided that the failure to implement the Development Plan is capable of being cured within such period); or

8.9.3. to (where the failure to implement the Development Plan is not capable of being cured within ninety (90) days after the GOVERNMENT has provided the CONTRACTOR with notice of such failure) promptly and diligently commence and continue to, and in any event, within twelve (12) months of the date on which the GOVERNMENT has provided the CONTRACTOR with notice of such failure, implement the Development Plan in accordance with its terms and this Agreement.

8.10. FEED: Representatives from the GOVERNMENT shall have the right to participate in the performance of the FEED and other studies necessary for the construction of the Facilities in accordance with procedures to be agreed by the Parties.

9. HEALTH, SAFETY AND ENVIRONMENT

9.1. Safety and Environment: The CONTRACTOR shall take all reasonable actions in accordance with Article 11.1 to minimise any adverse impact to the general environment, including without limitation the surface, subsurface, sea, air, animal life, plant life, other natural resources and property. The order of priority for actions shall be (i) the protection of life; (ii) environment; and (iii) property.
9.2. Emergencies: In the event of emergency, accidents or other extraordinary circumstance posing an immediate risk (including explosion, blow-out, leak or other incidents which damage or might damage the environment), the CONTRACTOR shall promptly notify the Government of such circumstances and of its first steps to remedy this situation and the result of said efforts. The CONTRACTOR shall take immediate steps to bring the emergency situation under control and shall incur such expenditures as required pursuant to Article 16.8.3.

9.3. Compliance: The CONTRACTOR shall comply with the laws and regulations of the State of Qatar, including those with respect to public health, safety and protection and preservation of the environment and the Environmental Law.

9.4. Monitoring: CONTRACTOR shall participate, on a Non Discriminatory basis, in any existing or future environmental monitoring programs over the Contract Location or in or around the Facilities site in RLIC including those for ambient air quality and ground based ecosystems. Costs of such participation shall be a part of Operating Costs.

9.5. Disposal of Produced Products: All Petroleum Operations, including the disposal of produced water, effluents, chemicals, Spent Catalyst and any hazardous or toxic wastes that may be generated from Petroleum Operations ("Hazardous Wastes") and other Petroleum products and by-products shall be handled in a safe and environmentally friendly and sound manner and in accordance with the Environmental Law and Internationally Accepted Petroleum Industry Practices. In the event of a conflict of standards between the Environmental Law and Internationally Accepted Petroleum Industry Practices, the higher or more stringent standard shall be applied unless a specific exemption to such higher or more stringent standard is granted by the GOVERNMENT. The CONTRACTOR acknowledges that there shall be no unauthorized disposal or dumping of untreated produced water, effluents, chemicals, other petroleum products or by-products or other waste, and that suitable waste management techniques acceptable to the GOVERNMENT shall be implemented to avoid pollution in and around all Petroleum Operations. The GOVERNMENT shall have the right at any time and at any location to spot check samples of such effluents to ensure that the standards set out above are met.

9.6. Agricultural Grade Water: Any agricultural grade water produced as a by product of Petroleum Operations onshore, and not used in Petroleum Operations on a first priority basis, shall be delivered free of charge to QP (or its nominee). Costs associated with any necessary treatment and the delivery of such water shall be Petroleum Costs. CONTRACTOR shall only be required to make available and deliver such water on an as-available basis and shall not be subject to any claims or liability as a result of failure to make available or to deliver any quantities or quality of surplus water.

9.7. Surplus Steam: Any steam generated in Petroleum Operations may be used in such Petroleum Operations on a first priority basis, including associated utilities. Any steam not needed for Petroleum Operations, including associated utilities, shall be made available free of charge to QP (or its nominee). Costs associated with the delivery and any necessary treatment of such surplus steam shall be Petroleum Costs. CONTRACTOR shall only be required to make available and deliver such surplus steam on an as-available basis and shall not be subject to any claims or liability as a result of failure to make available or to deliver any quantities or quality of surplus steam.

9.8. Environmental Baseline Assessment: Within one hundred and eighty (180) days after the Effective Date or such other date as may be determined by the Management Committee, the CONTRACTOR shall undertake and complete a safety and environmental
baseline assessment of the anticipated contract location and the Onshore Sites consistent with Internationally Accepted Industry Practices, the laws of the State of Qatar and the Project implementation schedule (the “Environmental Baseline Assessment”), and incorporate the findings of the Environmental Baseline Assessment in a report addressed to the Management Committee. The report on the findings of the Environmental Baseline Assessment shall note any then existing material deficiencies between the actual condition of the sites referred to above and Internationally Accepted Industry Practices, and recommend appropriate action to remedy them. The Management Committee shall either adopt or request modifications to the Baseline Assessment report within thirty (30) days of the CONTRACTOR submitting the report. If the Management Committee determines that the Environmental Baseline Assessment report requires any modification, the CONTRACTOR shall make the necessary revisions to the report within sixty (60) days of notice from the Management Committee to the CONTRACTOR requesting such revisions.

9.9. Implementation of Remedial Action: Following Management Committee approval of the Environmental Baseline Assessment report or incorporation in the report of the requested revisions (as the case may be), the GOVERNMENT may, at its election, direct the CONTRACTOR to implement any recommended remedial work to the anticipated location of the Project necessary to implement such recommendations in accordance with Internationally Accepted Petroleum Industry Practices, and the resulting costs shall be borne by the GOVERNMENT.

9.10. Environmental Impact Assessment: In addition to the Environmental Baseline Assessment in Article 9.7, CONTRACTOR shall, as a part of the FEED, prepare an environmental impact assessment which includes the following elements:

9.10.1. air dispersion modelling;

9.10.2. meteorological data;

9.10.3. background air quality data;

9.10.4. identifying and assessing all potential gaseous, liquid and solid releases to the atmosphere;
9.10.5. identifying and assessing proposed environmental impact mitigation measures; and

9.10.6. identifying and assessing any other environmental activities.

9.11. Disposal of Spent Catalyst and Hazardous Wastes

9.11.1. Disposal Site Location: Within nine months following the Effective Date, QP shall inform the Management Committee whether spent and/or contaminated GTL catalyst ("Spent Catalyst") and any Hazardous Wastes is to be permanently disposed of within or without the State of Qatar. If disposal of Spent Catalyst and/or the Hazardous Wastes is to be within the State of Qatar then one or more proposed disposal facilities shall be designated in the notice to the Management Committee.

9.11.2. Disposal Options: Prior to CONTRACTOR’s presentation of a disposal plan under Article 9.11.3, QP and CONTRACTOR shall meet and discuss options for disposal of the Spent Catalyst and hazardous Wastes, including permanent disposal, in a land-based facility in Qatar. Sufficient details regarding each proposed disposal option shall be presented to the Parties to allow them to make informed decisions with respect to each proposed disposal facility.

9.11.3. Disposal Plan: Within one year from the Effective Date, in addition to any other requirements of this Article 9, CONTRACTOR shall prepare and submit to the Management Committee for its approval, a plan for handling Spent Catalyst and Hazardous Wastes. Such plan shall include:

9.10.3.1 the required equipment and procedures for handling and removing Spent Catalyst and Hazardous Wastes from the Facilities;

9.10.3.2 the potential for recovering valuable metals from the Spent Catalyst;

9.10.3.3 the potential disposal sites for temporary and permanent disposal of the Spent Catalyst and Hazardous Wastes; and

9.10.3.4 any particular characteristics of the Spent Catalyst and Hazardous Wastes which require special handling to protect the environment and/or the personnel handling the Spent Catalyst or Hazardous Wastes;

9.11.4. Independent Determination: CONTRACTOR shall have the right to make an independent determination of whether any particular proposed disposal site complies with reasonable health, environmental, safety, security and technical standards, including the Environmental Law and Internationally Accepted Petroleum Industry Practices.
9.11.5. Secrecy Agreement: Following the Management Committee’s approval of the disposal plan presented under Article 9.11.3, if disposal at a land site in the State of Qatar is chosen, then the CONTRACTOR shall have a reasonable period of time, not to exceed six (6) months, to determine if a secrecy and/or confidentiality agreement is required between the operator of the disposal site and CONTRACTOR.

9.11.6. Recovery of Metal Values: CONTRACTOR shall be responsible for determining the economic viability of recovering and metals from the Spent Catalyst. If such recovery is economically viable, then CONTRACTOR shall be responsible for accomplishing such metals recovery.

9.11.7. Transport of Spent Catalyst and Hazardous Wastes: CONTRACTOR shall be responsible for transporting and delivering the Spent Catalyst and Hazardous Wastes to the disposal site chosen by the Management Committee under Article 9.11.3.

9.11.8. Disposal Costs: All costs of handling transporting and disposing of Spent Catalyst and Hazardous Waste shall be a part of Operating Costs.

9.12. GOVERNMENT Representatives: The GOVERNMENT shall be entitled to have its representatives present during all safety and environmental assessments, tests and monitoring activities at the Contract Location or any other location at which there are Facilities. The CONTRACTOR shall provide reasonable notice of its activities in this regard. At all times when GOVERNMENT’s representatives are present the CONTRACTOR shall also have an authorized representative present, who will cooperate fully with the GOVERNMENT representatives and who shall be familiar with the operations of the Facilities and who shall be authorized to deal with the GOVERNMENT representatives.

9.13. Emergency Power of Government: If the GOVERNMENT reasonably believes that a significant breach by the CONTRACTOR of any provision of Article 9 threatens the health or safety of any person or the environment within the State of Qatar, the GOVERNMENT may, in accordance with this Article 9.13, by notice to the CONTRACTOR, suspend all or any part of the Petroleum Operations to the extent that they are carried out within the jurisdiction of the State of Qatar, without assuming any liability or responsibility therefor. Any such suspension shall continue in effect until the breach has either been rectified, or corrective action has commenced satisfactory to the GOVERNMENT. If the CONTRACTOR has not remedied the breach or taken actions to remedy such breach, including diligently proceeding to fully accomplish such remedy, then the GOVERNMENT may, upon seven (7) day’s notice to CONTRACTOR, initiate any necessary measures it deems appropriate to rectify such breach and CONTRACTOR shall reimburse GOVERNMENT, on demand, any of the GOVERNMENT’s costs incurred in rectifying or remedying such breach. The rights of the GOVERNMENT herein provided shall be without limitation to any other remedy of the GOVERNMENT or the CONTRACTOR under this Agreement, at law or in equity.
10. COSTS, FUNDING, AND FINANCING

10.1. Costs: The CONTRACTOR shall be solely responsible for the payment of all costs when due associated with the conduct of the Petroleum Operations (including for greater certainty all Petroleum Costs) and the performance of its obligations under this Agreement, and the CONTRACTOR shall pay such costs in a timely manner, except such costs which the CONTRACTOR as a Reasonable and Prudent Operator is disputing with third parties.

10.2. Project Financing: Subject always to the exclusion set out in the definition of Petroleum Costs in Article 1.1.84(b), if the CONTRACTOR elects to arrange financing of any portion of the Project, it shall be solely responsible for arranging and procuring such financing, and the GOVERNMENT and its respective Affiliates shall not be required to provide any form of credit or financial support in connection with financing for the Project, including any sovereign or corporate guarantees or complete guarantees or other similar undertakings.

10.3. Cooperation and Coordination of Efforts: Notwithstanding Articles 10.1 and 10.2, the CONTRACTOR, the GOVERNMENT and QP shall cooperate with each other and coordinate their efforts with regard to the CONTRACTOR’S sole responsibility to provide financing for the Project if the CONTRACTOR elects to obtain such financing. The CONTRACTOR shall inform and consult with the GOVERNMENT with regard to the arranging and procuring of financing for the Project from time to time.

10.4. Project Financing and Financing by the GOVERNMENT: The CONTRACTOR acknowledges it is intended that any financing for the Project not adversely affect any financing being completed or arranged at that time by or on behalf of the GOVERNMENT for itself or any of its Affiliates. In the event that the Project financing is to be arranged at the same time as any GOVERNMENT or QP financing, the GOVERNMENT shall so notify the CONTRACTOR, and the GOVERNMENT and the CONTRACTOR shall, through consultation, coordinate their financing.

10.5. EPC Contracts: All EPC Contracts shall be made on a fixed price, lump sum, turn key basis for all major components of the Project, including the offshore upstream Facilities, the NGL Plant and the GTL Plant, based on the FEED.

10.6. EPC Contract Approval: All EPC Contracts shall be subject to the prior approval of the management Committee including the scope and the cost thereof. The full approved cost of an approved EPC Contract (“Approved EPC Contract Amount”) shall be a part of Petroleum Costs.

10.7. Costs in Excess of Approved EPC Contract Amount: Costs and expenditures in excess of the Approved EPC Contract Amount shall not be a part of Petroleum Costs except when such costs and expenditures are specifically approved, prior to being incurred, by the management Committee subsequent to the original approval pursuant to Article 10.6.

10.8. Emergency EPC Contract Expenditures: Regardless of the provisions of an Approved EPC Contract Amount then in effect, and notwithstanding any other provisions of this Agreement, in case of an emergency or extraordinary circumstances causing an immediate and clear risk to the Project or any circumstance which poses a reasonable possibility of the imposition of material damages under any sale and purchase agreement for Petroleum, or any other requirement in the CONTRACTOR’S judgement acting as a Reasonable and Prudent Operator, the CONTRACTOR is hereby authorised to, and shall take, all immediate
action and incur all resulting expenditures as the CONTRACTOR may deem necessary to protect and safeguard personnel, the Facilities and the Petroleum Operations, to maintain production so as to avoid any material damages under any sale and purchase agreement for Petroleum to prevent or alleviate any damage or loss thereto, or to prevent or mitigate pollution or other environmental damage, or generally to protect the interests of the Parties and their respective contractors. The CONTRACTOR shall promptly report to the Management Committee any such action taken and expenditures incurred or accrued, and all costs in respect thereof (excluding any damages under any sale and purchase agreement for Petroleum) shall be deemed included in the current Approved EPC Contract Amount and therefore shall be submitted as Petroleum Costs.

11. CONDUCT OF THE PETROLEUM OPERATIONS

11.1. Standard of Conduct of Petroleum Operations: In conducting Petroleum Operations the CONTRACTOR shall act at all times in accordance with the following standards:

11.1.1. in a cost effective efficient, timely and workmanlike manner;

11.1.2. with the degree of skill, diligence, prudence and foresight as would reasonably be expected from a skilled and experienced operator of a petroleum field, a NGL Plant and a GTL Plant;

11.1.3. in good faith and a co-operative manner;

11.1.4. in accordance with the more stringent of local laws and practices or Internationally Accepted Petroleum Industry Practices prevailing at the time;

11.1.5. in accordance with the Development Plan;

11.1.6. within the limits of approved annual Work Programs and Budgets;

11.1.7. in a manner that maximizes the efficient and effective use of Gas produced from the Contract Location and avoids wasteful and/or inefficient uses of the national patrimony of Gas and associated Petroleum resources, including good reservoir management and production practices;

11.1.8. in accordance with the instructions from time to time of the Management Committee not inconsistent with any of the standards specified elsewhere in Article 11.1 and Article 11.2; and

11.1.9. in accordance with the laws and regulations of the State of Qatar, including, those regarding conservation of hydrocarbons and environmental compliance (which include at the Signature Date, a prohibition of gas flaring, other than for safety or operational reasons) and the Environmental Law.

11.2. Petroleum Operations: With respect to all Petroleum Operations, the CONTRACTOR shall:

11.2.1. ensure that they are within the scope and limits of the Annual Work Programs and Budgets and in compliance with the Development Plan and this Agreement; and

11.2.2. implement in a timely manner the Annual Work Programs and Budgets.
11.3. Scope and Conduct of Petroleum Operations: The Petroleum Operations to be conducted by the CONTRACTOR shall include the following activities:

11.3.1. drilling, testing, plugging, abandoning or completing for production, the Appraisal Wells and appraising the Contract Reservoirs pursuant to Article 5.2;

11.3.2. determining the Contract Location pursuant to Article 5.3;

11.3.3. managing the FEED from bidding through delivery of the final work product;

11.3.4. preparing and submitting, for management Committee approval, the contracting strategies for awarding the EPC Contracts, the EPC bidder lists, pre-qualification of EPC bidders, technical and commercial evaluation of the EPC bids and selection of the EPC contractors;

11.3.5. preparing and submitting the Development Plan pursuant to Article 8.3;

11.3.6. designing, constructing, project managing, operating and maintaining the Facilities and other Project Property in accordance with the FEED and the Development Plan;

11.3.7. preparing and submitting, on a quarterly basis, to the Management Committee and the GOVERNMENT a statement of Petroleum Costs broken down on a monthly basis;
11.3.8. planning, preparing and submitting each Annual Work Program and Budget and related modifications, if any, to the Management Committee for approval;

11.3.9. negotiating, awarding, executing and following up contracts for the conduct of Petroleum Operations pursuant to each Annual Work Program and Budget in accordance with approved bidding and contracting procedures and subject to any approvals of contracts reserved to the Management Committee;

11.3.10. preparing financial statements and reports, including forecasts, in accordance with this Agreement and submitting them to the Management Committee for approval;

11.3.11. developing the Accounting Procedure containing the accounting systems and controls for purchasing and service contracts/orders, authorisations for expenditure (AFE) approval levels that are consistent with this Agreement, accounting and integral financing controls and good cash management, and submitting the same to the Management Committee for approval as soon as reasonably practicable after the Effective Date;

11.3.12. directing and coordinating internal and external financial, operational, contractual, public accounting and other audits, and preparing and presenting an audit report to the Management Committee setting out the findings from each audit and any recommended corrective actions, and ensuring implementation of all such recommendations as approved by the Management Committee;

11.3.13. planning, preparing and submitting a health, safety and environment (HSE) response plan to the Management Committee for approval and following such approval, maintenance and periodic updating of such HSE plan;

11.3.14. planning, preparing and submitting an Abandonment Plan to the Management Committee for approval and following such approval, maintenance and periodic updating of such Abandonment Plan;

11.3.15. [OPTION 1] establishing, maintaining and funding the Abandonment Fund in accordance with Article 31.6;

11.3.16. [OPTION 2] establishing, maintaining and funding the Abandonment Security in accordance with Article 31.7;

11.3.17. keeping the Management Committee informed in a timely manner on a periodic and on an as-requested basis about the status of Petroleum Operations, including technical operations and maintenance work, in accordance with Internationally Accepted Petroleum Industry Practices and in compliance with requests submitted from time-to-time by the GOVERNMENT or the Management Committee, including monthly reports delivered prior to the end of the following month; and
11.3.18. making all decisions and carrying out all activities in respect of Petroleum Operations as a Reasonable and Prudent Operator consistent with the grant of rights to the CONTRACTOR pursuant to Article 2.2 and not expressly prohibited by this Agreement.

12.1 INSURANCE

12.1. Insurance: As part of Petroleum Operations, the CONTRACTOR shall procure and maintain at all times such insurance as a Reasonable and Prudent Operator would maintain for operations similar to Petroleum Operations, together with any additional insurance required by the Management Committee, including the following insurance:

12.1.1. for the CONTRACTOR’S liabilities set out in Article 35 as follows;

(a) for third party liability, an amount consistent with Internationally Accepted Petroleum Industry Practice;

(b) for personnel liability, an amount consistent with Internationally Accepted Petroleum Industry Prices; and

(c) for the CONTRACTOR’S property, an amount equal to the replacement value of such property;

12.1.2. at the CONTRACTOR’S option, after due consultation with the GOVERNMENT, coverage for loss, damage or destruction to:

(a) any Project Property (other than Shared Project Facilities), including all property to which ownership has passed to the GOVERNMENT under Article 24;

(b) any Share Project Facilities (to the extent agreed with the owners thereof) and, where appropriate, the CONTRACTOR shall in all respects act on behalf of the GOVERNMENT and/or the owners of such Facilities in relation to such insurance; and

(c) if available, for pollution and environmental damage.

12.2. Costs and Proceeds of Insurance: All costs of insurance carried under the Petroleum Operations, and all deductibles paid under such insurance, shall be submitted as Petroleum Costs. The GOVERNMENT reserves the right at any time to include all Project Property to which it has title (Government Project Property) under its corporate insurance coverage in lieu of the requirements of Article 12, and shall promptly notify the CONTRACTOR in the event it does so. The cost to the GOVERNMENT for its insurance coverage on Government Project Property shall be billed to CONTRACTOR and included in Petroleum Costs. The CONTRACTOR shall have the right to use all proceeds from the insurance carried for Petroleum Operations for expenditures in connection with Petroleum Operations, including reconstruction.

12.3. Excess Expenditures: To the extent the CONTRACTOR expends an amount in excess of the insurance proceeds received for damaged, lost or destroyed Project Property, such excess expenditure shall be recoverable as Petroleum Costs. To the extent the CONTRACTOR receives insurance proceeds in excess of the amount expended in repairing or replacing damaged, lost or destroyed Project Property, such excess insurance proceeds shall be credited to Petroleum Costs.
12.4. Placement of Insurance: All insurance required to be carried for Petroleum Operations shall be placed through a GOVERNMENT authorised Qatari national insurance company, if required by and in accordance with applicable GOVERNMENT rules and regulations, as they may be amended from time to time. All re-insurance of such insurance shall be with insurance companies acceptable to the CONTRACTOR acting reasonably, which may include an Affiliate of CONTRACTOR that is acceptable to the GOVERNMENT acting reasonably. All insurance required to be carried under the Petroleum Operations shall be obtained on an international competitive bidding basis.

12.5. Co-insured and Waiver of rights of Subrogation: All policies of insurance required to be carried under Petroleum Operations shall name the GOVERNMENT as a co-insured and include the insurer’s waiver of its rights of subrogation in favour of the GOVERNMENT and all its Affiliates, contractors, and their respective personnel, provided and to the extent that such contractors of the GOVERNMENT are not also contractors of the CONTRACTOR.

12.6. Evidence of Insurance: The CONTRACTOR shall provide to the GOVERNMENT, copies of all certificates and policies of insurance required to be carried for Petroleum Operations and all renewals thereof promptly upon receipt of a written request therefor from the GOVERNMENT. In the event the CONTRACTOR request to be included as a co-insured under GOVERNMENT insurance of Project Property and the GOVERNMENT in its sole discretion accepts such a request pursuant to Article 12.8, the GOVERNMENT shall provide copies of all certificates and policies of insurance carried for such Project Property, and all renewals thereof, promptly upon receipt of a written request therefor from the CONTRACTOR.

12.7. Maintaining Insurance: The CONTRACTOR shall be responsible for ensuring that the insurance policies required to be carried by it for Petroleum Operations remain valid and in force and effect in accordance with Article 12 throughout the term of the Agreement.

12.8. GOVERNMENT Insurance: If, by notice to the GOVERNMENT, the CONTRACTOR requests to be included under any insurance maintained by the GOVERNMENT or any of its Affiliates and the GOVERNMENT in its sole discretion accepts such a request, the GOVERNMENT or its Affiliate, as the case may be, shall maintain and pay the premium for expanding all insurance customarily maintained by the GOVERNMENT in order to include the Petroleum Operations adding the Companies as named insureds in such insurance policies and including the insurer’s waiver of rights of subrogation against the Companies, their Affiliates, contractors and their respective personnel. The premiums paid under such GOVERNMENT insurance policy, or if such policy covers other operations the proportion thereof that is attributable to Petroleum Operations, shall be charged to Petroleum Operations and the CONTRACTOR shall in a timely manner reimburse the GOVERNMENT or such GOVERNMENT Affiliate for such premiums or portion thereof as the case may be.

12.9. Insurance on GOVERNMENT and QP Property: All insurance maintained by the GOVERNMENT with regard to GOVERNMENT owned property used in the Petroleum Operations shall name all Companies as co-insureds and shall include a waiver of insurer’s right of subrogation in favour of all Companies, their Affiliates and contractors and their respective personnel.

13. DATA

13.1. Delivery of Data: The CONTRACTOR shall keep the GOVERNMENT fully informed in writing and in a timely manner on, a periodic and on an as-requested basis as to the progress and results of all Petroleum Operations. The CONTRACTOR shall provide to the GOVERNMENT, in a timely manner, copies of all Data pertaining to the Petroleum
Operations customarily provided by a Reasonable and Prudent Operator but excluding computer software, models, downstream marketing Data not otherwise required to be provided pursuant to Article 8.5 and other Data pertaining to areas outside of the State of Qatar (in all cases, the cost of which has not been submitted as Petroleum Costs). The CONTRACTOR shall also furnish to the GOVERNMENT in a timely manner copies of all other Data relevant to Petroleum Operations prepared from time to time by, or on behalf of, the CONTRACTOR.

13.2. GOVERNMENT Data:

13.2.1. Immediately subsequent to the Signature Date, the GOVERNMENT shall grant the CONTRACTOR full access to all Data and analyses (but excluding any computer simulations or models performed by or on behalf of the GOVERNMENT or QP) pertaining or relevant to ABCD, including the Contract Reservoirs and, subject to acceptance by the GOVERNMENT or QP that it is relevant, Data outside ABCD which is at such point in time in the possession of the GOVERNMENT or QP and which the GOVERNMENT or QP is lawfully entitled to disclose to the CONTRACTOR. To the extent that the release by the GOVERNMENT or QP of any such Data to the CONTRACTOR requires the consent of another Person, the GOVERNMENT or QP shall use all reasonable endeavours to procure such consent.

13.2.2. The GOVERNMENT may, upon reasonable written request by the CONTRACTOR, grant to the CONTRACTOR access to further Data and analyses relevant to Petroleum Operations and pertaining to the Contract Location and the Contract Reservoirs, (but excluding any computer simulations or models performed by or on behalf of the GOVERNMENT or QP) which come into its or QP’s possession during the term of this Agreement and which the GOVERNMENT or QP is lawfully entitled to disclose to the CONTRACTOR. To the extent that the release by the GOVERNMENT or QP of any such Data and analyses to the CONTRACTOR requires the consent of another Person, the GOVERNMENT or QP shall use all reasonable endeavours to procure such consent.

13.3. Storage of Data: The CONTRACTOR shall keep and store on behalf of the GOVERNMENT any and all Data which the GOVERNMENT may reasonably request, by notice to the CONTRACTOR, to be kept and stored for a period of up to ten (10) years, from the date such Data was made available to the GOVERNMENT by the CONTRACTOR but in any event no longer than the expiration or termination of this Agreement. The CONTRACTOR shall keep and store such Data in the manner that a Reasonable and Prudent Operator would utilise and in a manner not less safe than the manner in which the CONTRACTOR keeps and stores its own data of a similar nature. The CONTRACTOR shall, in a timely manner after receiving a request therefor from the GOVERNMENT, provide the GOVERNMENT with copies of any Data stored by the CONTRACTOR.

13.4. Delivery of Data During Agreement: During the Term of this Agreement, CONTRACTOR shall submit copies of original Data to QP within thirty (30) days after such Data is acquired, processed and/or interpreted. Such Data shall include geological/geophysical, drilling, well, testing, production, reservoir, engineering and other Data as CONTRACTOR or its sub-contractors have compiled. Reservoir Data shall include original Petroleum in-place and recoverable Petroleum reserves on a proved, probable and possible basis. To the extent such Data is required for operational purposes, CONTRACTOR retain and use such Data. Once any such Data is no longer required for operational purposes, then such Data shall be delivered to QP.
13.5. Delivery of Data at end of Agreement: Upon the expiration or termination of this Agreement, all originals and copies of all Data in the possession of the CONTRACTOR, excluding computer software, models, downstream marketing Data not otherwise required to be provided pursuant to Article 8.5, and other Data pertaining to areas outside of the State of Qatar (in all cases, the cost of which have not been submitted as Petroleum Costs), shall be delivered free of charge and in a timely manner to the GOVERNMENT as and when requested by the GOVERNMENT in writing. Notwithstanding the foregoing, six (6) months prior to the termination of this Agreement or prior to the end of the ten year period referenced in Article 13.3, which ever is the earlier, the CONTRACTOR shall deliver to the GOVERNMENT a proposal with viable options for the delivery of the originals and copies of the Data, including an option to maintain the Data in a commercial data storage facility.

13.6. Costs of Storage of Data: All costs associated with keeping, storing, copying and delivering Data pertaining to the Petroleum Operations at the request of and on behalf of the GOVERNMENT shall be eligible for Petroleum Costs if incurred or accrued during the term of this Agreement.
13.7. Title to and Use of Data: All Data shall, upon its acquisition, become the property of the GOVERNMENT and the GOVERNMENT shall have the right, free of charge, to use such Data in any manner it deems fit for the purpose of assessing hydrocarbon potential in the State of Qatar. Notwithstanding the foregoing, the CONTRACTOR shall have the right, free of charge, to use and disclose to the Operator, all Data acquired, processed, interpreted and delivered hereunder in the conduct of the Petroleum Operations, for the purposes of discussion with the GOVERNMENT of extensions of the term of this Agreement or for evaluation of other opportunities in Qatar.

13.8. Use Of Data Supplied to the CONTRACTOR: Notwithstanding Article 13.7, unless otherwise agreed by the GOVERNMENT, the CONTRACTOR shall refrain from using any Data supplied by the GOVERNMENT to the CONTRACTOR pursuant to this Agreement for any purpose other than the conduct of the Petroleum Operations.

13.9. GOVERNMENT Right to Disclose: Notwithstanding Article 37, the GOVERNMENT shall have the right to disclose to other Persons, Data related to (i) areas relinquished within the Contract Location immediately upon relinquishment; (ii) the entire Contract Location immediately upon termination or expiry of this Agreement; (iii) the entire Contract Location prior to termination or expiry of this Agreement where the Data relates to the protection of life, health, safety or the environment, or (iv) the entire Contract Location, prior to termination or expiry of this Agreement where the Data relates to the assessment or development of hydrocarbon potential in the State of Qatar.

13.10. Release of Data: Each Company, the CONTRACTOR and the Operator and any of their respective Affiliates and contractors or subcontractors shall not disclose or release any Data to any third party except in accordance with Articles 13 and 38.

14. GOVERNMENT ACCESS AND ASSISTANCE

14.1. GOVERNMENT Access: Representatives of the GOVERNMENT shall have, at the risk and expense of the GOVERNMENT, upon reasonable notice to the CONTRACTOR and at all reasonable times (except in each case where circumstances require otherwise), full and complete access to the Petroleum Operations, with the right to observe the work being conducted and to inspect all Project Property, provided that the exercise of such right shall not hinder, prejudice or otherwise materially and adversely affect the conduct of the Petroleum Operations.

14.2. Board, Lodging and Facilities The CONTRACTOR shall provide the representatives of the GOVERNMENT observing the Petroleum Operations to the extent available, on an equal basis with CONTRACTORS personnel, with office space, board, lodging and transportation at all of the CONTRACTOR’S work sites for Petroleum Operations. The costs of providing such access for the GOVERNMENT representatives shall be submitted as Petroleum Costs.
14.3. Telegraph, Wireless and Telephone Communications: Telegraph, wireless and telephone communications equipment shall be installed and maintained by the CONTRACTOR in strict accordance with the laws of the State of Qatar and all applicable GOVERNMENT rules, regulations and standards. The CONTRACTOR shall endeavour to ensure that such equipment is used exclusively for the Petroleum Operations. The CONTRACTOR shall endeavour to ensure that the installation, operation and maintenance of such equipment does not interfere with the operation of any telegraph, wireless or telephone communications equipment operated from time to time by the GOVERNMENT. The GOVERNMENT shall use reasonable efforts to provide to the CONTRACTOR with access to all onshore and offshore telephone and radio lines and frequencies reasonably required for the conduct of Petroleum Operations.

14.4. Assistance by QP: QP, free of charge to the CONTRACTOR, shall assist the CONTRACTOR to obtain all usual and customary approvals from the Qatari authorities necessary for implementation of the Project. QP shall use reasonable endeavours to assist the CONTRACTOR in obtaining the Emiri Decree. In the event QP incurs a charge for the assistance it provides to the CONTRACTOR, then such charge shall be billed to the Operator, reimbursed to QP and may be recovered as Petroleum Costs.

14.5. Approval for Construction Installation of Facilities: Notwithstanding the final approval of the Development Plan, the CONTRACTOR shall submit to the GOVERNMENT for approval in accordance with applicable laws, regulations and practices of Qatar, plans (including details of the proposed location(s) for the construction or installation of any of the Facilities inside or outside the Contract Location. The CONTRACTOR shall not commence the construction or installation of any of the Facilities without the prior approval of the GOVERNMENT.

14.6. Use of Land and Offshore Areas to Conduct Petroleum Operations: Subject to Article 14.5 and in accordance with Article 2.2, the CONTRACTOR shall have the right on Non-Discriminatory Terms to use and occupy the surface and subsurface of those locations and for those purposes reasonably necessary for the conduct of Petroleum Operations for the Project, including GOVERNMENT land. The CONTRACTOR shall utilise the surface and subsurface solely for the purpose of conducting Petroleum Operations, and in a manner that minimises any disruption to the operations for other projects or operators within the vicinity. The CONTRACTOR shall have the following rights and obligations in respect of use of land, sea and air:

14.6.1. if the CONTRACTOR requires for the purpose of conducting Petroleum Operations, including for greater certainty pipeline rights of way, any cultivated or uncultivated land in the State of Qatar, including land owned privately or by the GOVERNMENT, the GOVERNMENT shall use all reasonable efforts to enable the CONTRACTOR to procure the same where it relates to privately owned land or land in relation to which the GOVERNMENT has already granted rights, on terms and conditions to be negotiated and agreed with the owner(s) and/or occupier(s) thereof. Notwithstanding the foregoing, the CONTRACTOR shall not (i) carry on any operations within, or in the immediate vicinity of, areas occupied by or devoted to the purpose of mosques, sacred buildings, graveyards or archaeological sites or (ii) have the right to use or occupy any sites which have been selected by or on behalf of the GOVERNMENT for purposes including, without limitation, military and communications; and

14.6.2. the CONTRACTOR and other operators in the vicinity of the Contract Location shall have the right (to be exercised reasonably) to extend their seismic and gravity surveys
into adjacent contract area(s), for the sole purpose of full data coverage and tie-in, subject to the GOVERNMENT’S prior written approval.

14.7. RLIC Site: Onshore Facilities, including the NGL Plant and the GTL Plant, shall be located on a mutually agreed site in RLIC. CONTRACTOR shall enter into a land lease for such site with RLIC on Non Discriminatory Terms using the terms and conditions set forth in Appendix “E” (RLIC Land Lease Form).

14.8. Cooperation and Co-ordination with Other Operators: The CONTRACTOR and the GOVERNMENT acknowledge the ongoing conduct of operations within the Contract Location and the operations in the immediate vicinity of the Contract Location, and the CONTRACTOR acknowledges the role of the GOVERNMENT in coordinating the conduct of petroleum operations among the various petroleum operations. The CONTRACTOR shall cooperate to the extent reasonable with other operators (including the GOVERNMENT and its Affiliates, as appropriate) in the adjacent offshore blocks so as to coordinate the Petroleum Operations with other operations to the fullest extent possible so as not to materially hinder or interfere with the conduct of such other operations. The CONTRACTOR’S obligation to cooperate reasonably with other operators shall include the sharing of information with the objective of optimising the effectiveness of exploration, development and production activities including reservoir management, and the sharing of services and facilities with the objective of minimising the cost, to the benefit of each operator and the GOVERNMENT. Except where the GOVERNMENT has already granted a right to an operator, in which case a “first come-first served” principle shall apply, the GOVERNMENT shall resolve all conflicts regarding proposed uses, and its decision shall be final and binding.

14.9. RLIC Services: CONTRACTOR shall have the access and the right on Non Discriminatory Terms, to use the following infrastructure, utilities and/or services for the Facilities at the RLIC site agreed under Article 14.7 above:

14.9.1. electric power;
14.9.2. cooling seawater supply and return;
14.9.3. firewater backup;
14.9.4. desalinated water supply;
14.9.5. solid waste (non-Hazardous Waste) disposal;
14.9.6. fire fighting facilities;
14.9.7. agricultural or irrigation water export;
14.9.8. common culvert for storm water drainage; and
14.9.9. construction labour camp.

14.10. Availability of Services and Utilities:

14.10.1 Notwithstanding Article 20.4, if Contractor, in good faith, determines that seawater cooling and/or electric power will not be available in the quantities or quality needed for the proper operation of the Project then CONTRACTOR shall notify the Management Committee of such situation. The Management Committee shall meet and decide within thirty (30) days after such notice whether (i) CONTRACTOR should develop the necessary seawater cooling and/or electric power utilities as a part of the Facilities or (ii) the Management Committee should approach the GOVERNMENT with a request to either (a) give the CONTRACTOR assurances that such seawater cooling and/or electric power utilities will be in place in sufficient quantity and quality to meet the needs of the Project or (b) state that such assurances cannot be made at the time of the request. Such request for assurance shall give the GOVERNMENT ninety (90) days to reply, or such longer time as the Management Committee decides is reasonable. A failure by the GOVERNMENT to reply within the previously referenced answer period shall be conclusively deemed a reply that such assurances cannot be given. In the event the GOVERNMENT’s answer or deemed answer is that assurances cannot be made regarding the availability of seawater cooling and/or electric power utilities, then the CONTRACTOR shall have the right to include the construction and operation of such utilities as a part of the Facilities and the costs there of shall be petroleum Costs.

14.10.2 Notwithstanding Article 14.9, if in the reasonable opinion of the CONTRACTOR, any of the utilities in Articles 14.9.3 through 14.9.9, inclusive, will not be available to the Facilities in the quantities needed in time for the construction and/or operation of the facilities, then CONTRACTOR shall have the right to construct and operate as a part of the Facilities the facilities necessary to supply those particular utilities and the costs of constructing and operating the same shall be a part of Petroleum Costs.

14.11. Utilisation of Facilities and Infrastructure: The Parties acknowledge that the objective of optimum effectiveness and minimising cost in the Petroleum Operations for the Project may also be best achieved by cooperative efforts and joint utilisation of facilities, infrastructure and operations among other projects in the vicinity of the Contract Location and/or the onshore Project Facilities. Accordingly, the CONTRACTOR shall advise the GOVERNMENT of those instances in which co-operative efforts and joint utilisation of facilities, infrastructure and operations are reasonable and justified. Likewise, the GOVERNMENT shall advise the CONTRACTOR of those instances in which co-operative efforts and joint utilisations of facilities, infrastructure and operations should be considered. In such event the Parties shall meet to discuss and consider all reasonable opportunities for such cooperative efforts and joint utilisation of facilities, infrastructure and operations. Upon request of the GOVERNMENT, the CONTRACTOR shall cooperate reasonably with the operator for any other project and participate in any reasonable studies or discussions to further share facilities or infrastructure, combine or unitise operations between the projects. Any decision by the CONTRACTOR to further share facilities or infrastructure or combine or unitise the operations between the projects shall be approved by the GOVERNMENT acting...
in its sole discretion and on a fair and equitable basis in conformity with the principles of joint utilisation of facilities, infrastructure and operations and unitisation generally recognised in the international petroleum industry.

14.12. Implementation of Cooperative Arrangements: If, and to the extent that, the CONTRACTOR and other operators reach agreement on cooperation and joint utilisation or sharing of facilities (including allocation of charges) pursuant to Articles 14.8 or 14.10 and the GOVERNMENT approves the same, the CONTRACTOR shall, subject to the agreement of the Management Committee, make such modifications to any Annual Work Program and Budget as are reasonably necessary to implement such agreement.

15. PERSONNEL OF THE CONTRACTOR

15.1. Personnel Policies and Procedures: The personnel policies and procedures utilised by the CONTRACTOR, the Companies, the Operator, their Affiliates, and contractors for the conduct of the Petroleum Operations shall be at all times subject to and in accordance with the laws, rules and regulations applicable in the State of Qatar.

15.2. CONTRACTOR’S Personnel: Subject to Articles 15.1, 15.4 and 15.5, the CONTRACTOR shall, at its absolute discretion, determine (i) the criteria for recruitment, selection and dismissal of its personnel, (ii) the total number of its personnel to be engaged in the conduct of Petroleum Operations from time to time (provided that the CONTRACTOR shall only employ the personnel reasonably required for the conduct of Petroleum Operations) and (iii) the working hours, training, salaries, wages and fringe benefits of all such personnel. The CONTRACTOR’S personnel working on Petroleum Operations shall be and remain personnel of the CONTRACTOR. The CONTRACTOR shall pay all the costs of its personnel and cause its Affiliates, the Operator, and their respective contractors to pay, in a timely manner all costs of such personnel. The costs of the personnel of the CONTRACTOR while employed in, and to the extent expended in relation to, Petroleum Operations shall be submitted as Petroleum Costs.

15.3. Appointment of General Manager: Promptly after the Effective Date, the CONTRACTOR shall in its sole discretion appoint an individual to serve as the General Manager to manage and direct the Petroleum Operations and represent the CONTRACTOR before the GOVERNMENT. The CONTRACTOR shall delegate, and shall be deemed to have delegated, to the General Manager all authority necessary to enable the General Manager to carry out his duties and to bind the CONTRACTOR while doing so within the scope of his authority, as disclosed to the GOVERNMENT. The CONTRACTOR may from time to time replace the General Manager as and when, in its sole discretion, it chooses to do so.

15.4. Appointment of Deputy General Manager: Within six (6) months after the Effective Date, the CONTRACTOR shall hire and appoint or accept as a secondee, upon nomination by the GOVERNMENT, a national of the State of Qatar who is a qualified senior professional, acceptable to the CONTRACTOR acting reasonably, as an assistant to the General Manager and in the capacity of Deputy General Manager with such duties and job description as are assigned by the General Manager.

15.5. Recruitment and Training of Qatari Nationals: The CONTRACTOR acknowledges that the placement of nationals of the State of Qatar at all levels of staffing in the oil and gas industry is an important objective of the GOVERNMENT. Accordingly the CONTRACTOR shall, in selecting its personnel to work on Petroleum Operations, give priority to the nationals of the State of Qatar, and in giving such priority, the CONTRACTOR shall recruit, employ and utilise such qualified nationals when they are available for work at competitive rates, to fill
its required staffing at all levels. The CONTRACTOR and the GOVERNMENT shall meet from time to time to establish and define such staff positions, reasonable numbers, and job descriptions of such Qatari nationals. Notwithstanding the foregoing, as soon as reasonably practical, the positions of Deputy General Manager, Administration, Internal Audit, Legal and Finance Managers shall be filled with qualified Qatari nationals. The CONTRACTOR shall, in addition, prepare plans and programs for the identification, training and education of both male and female nationals of the State of Qatar at all levels of staffing to improve their technical and professional competence and their management ability. Such plans and programs shall have as their objective the meaningful training and placement of Qatari nationals in time to have such individuals assume meaningful and productive roles in permanent positions in Petroleum Operations as soon as the Facilities become operational and increasingly so as Petroleum Operations continue through the term of this Agreement. Training programs shall include performance-based, and not solely time-based, training and development objectives. Costs incurred or accrued by the CONTRACTOR in developing and implementing training and education programs shall be submitted as Petroleum Costs.
15.6. GOVERNMENT Secondees: The GOVERNMENT may request the CONTRACTOR to accept reasonable numbers of the personnel of the GOVERNMENT and its Affiliates as secondees in the Operator’s organisation to participate in the conduct of Petroleum Operations with the goal of imparting technical, administrative and management skills to such personnel. The total number of personnel to be so seconded for the conduct of Petroleum Operations, the criteria for recruitment and dismissal, the selection of those personnel and their duties and hours of work shall be determined by the Management Committee. Such secondment program shall be integrated with and supplemental to the Qatariization objectives and programs of Article 15.5. All such personnel seconded to CONTRACTOR shall not be employees of the CONTRACTOR and their salaries and benefits shall continue to be paid or cause to be paid by the GOVERNMENT. The CONTRACTOR shall reimburse the GOVERNMENT for all the incurred or accrued costs associated with the secondment of the GOVERNMENT’s personnel to the CONTRACTOR, without an element of profit, and all such costs shall be submitted as Petroleum Costs.

16. ANNUAL WORK PROGRAMS AND BUDGETS

16.1. Preparation and Delivery: Within sixty (60) days after the Effective Date, the CONTRACTOR shall prepare and submit to the Management Committee for approval an Annual Work Program and Budget describing the Petroleum Operations and estimated costs therefore that the CONTRACTOR proposes to conduct and incur during the remainder of the then current calendar year. Thereafter, the CONTRACTOR shall prepare and submit to the Management Committee for approval not later than ninety (90) days prior to the first day of each successive calendar year, an Annual Work Program and Budget describing the Petroleum operations and estimated costs therefor that the CONTRACTOR proposes to conduct and incur during such calendar year. In addition, CONTRACTOR, shall submit, at the same time, a Work Program and Budget describing the Petroleum Operations and estimated costs therefor that the CONTRACTOR opposes to conduct and incur during the following calendar year (Second Year WP&B). The Second Year WP&B shall have the same categories of expenses and work to be performed as the Annual Work Program & Budget but shall not be required to be in the same degree of detail as the Annual Work Program & Budget.

16.2. Annual Commitments: Until completion of those Petroleum Operations required under the Development Plan, each Annual Work Program and Budget shall be in accordance with and reflect the work commitments and expenditures under the Development Plan. After completion of such Petroleum Operations required by the Development Plan, each Annual Work Program and Budget and Second Year WP&B shall reflect the ongoing Petroleum Operations that the CONTRACTOR proposes to carry out during the relevant year and any subsequent Development Plan approved by the Management Committee.

16.3. Approval by the Management Committee: Within thirty (30) days after the submission of the proposed Annual Work Program and Budget, the Management Committee shall meet to review and approve or modify such Annual Work Program and Budget in accordance with Article 16, provided that no modification by the Management Committee of an Annual Work Program and Budget submitted under Article 16.1 shall materially change the approach, scope, risk or cost of work proposed by the CONTRACTOR unless such modification is required to make such Annual Work Program and Budget conform with the Development Plan. The Second Year WP&B shall be reviewed by the Management Committee for informational purposes only and shall not require approval by the Management Committee.

16.4. Deemed Approval: If the CONTRACTOR has not been otherwise advised by the Management Committee within sixty (60) days after submission of an Annual Work Program
and Budget, such Annual Work Program and Budget shall be deemed approved by the Management Committee.

16.5. Non-Approval: If within sixty (60) days after the submission of an Annual Work Program and Budget, the Management Committee advises the CONTRACTOR with a detailed written justification that it cannot approve the proposed Annual Work Program and Budget without modification, the CONTRACTOR shall have the obligation and right to take all such actions necessary to fulfill any minimum work and expenditure commitment to meet the obligations of the CONTRACTOR and the GOVERNMENT under any sale and purchase agreement for Petroleum and to undertake any further work and expenditures which the CONTRACTOR deems necessary, or which the CONTRACTOR is directed to take by the GOVERNMENT, to maintain the minimum essential activities of the existing Petroleum Operations in a safe and efficient manner and to continue safeguarding personnel and the environment; provided, that the CONTRACTOR shall promptly report such expenditures to the Management Committee.

16.6. Modifications to Non-Approved Program and Budget: Within thirty (30) days after being advised of the Management Committee’s non-approval of an Annual Work Program and Budget, the CONTRACTOR shall prepare and submit to the Management Committee a new Annual Work Program and Budget modified to address the expressed concerns of the Management Committee. Upon receipt of the modified Annual Work Program and Budget, the Management Committee shall, within thirty (30) days thereafter, consider approval of the modified Annual Work Program and Budget in accordance with Article 16.

16.7. Modifications to an Approved Program and Budget: The CONTRACTOR shall prepare and submit to the Management Committee for approval, proposals to modify any approved Annual Work Program and Budget, whenever such modifications are deemed appropriate or necessary by the Management Committee or by the CONTRACTOR as a result of unanticipated circumstances during the year. Within thirty (30) days from the date of submittal of each proposal for modification, the Management Committee shall meet to review and discuss the proposed modifications and make a decision in respect thereof. If the CONTRACTOR has not been otherwise advised by the Management Committee within thirty (30) days of submission, such modified Annual Work Program and Budget shall be deemed approved by the Management Committee. Approved modifications to any current Annual Work Program and Budget shall be without prejudice to, and accordingly shall not invalidate, any work and/or expenditure commitments made by the CONTRACTOR prior to the approval of such modifications.

16.8. Excess Work and Expenditures by CONTRACTOR: The CONTRACTOR shall not undertake or make any commitment for any work or incur or make any commitment for any expenditure not included in any Annual Work Program and Budget or in excess of the amount specified in any Annual Work Program and Budget except as follows:

16.8.1. if expenditures for an approved line item of work in excess of the amount budgeted therefore become necessary for the conduct of the Petroleum Operations for the year, then the CONTRACTOR is authorised to make such excess expenditures up to but not exceeding ten percent (10%) of the amount budgeted for such line item of work, provided that the sum of all such excess expenditures in any year shall not exceed five percent (5%) of the total amount of the approved Budget for that year. The CONTRACTOR shall promptly inform the Management Committee once the CONTRACTOR anticipates that an excess expenditure will be incurred or accrued;
16.8.2. any expenditures in excess of the amounts stated in Article 16.8.1 shall require approval of the Management Committee. Excluding expenditures under Article 16.8.3, any expenditures in excess of those approved by the Management Committee shall be for the sole account of the CONTRACTOR and shall not be recoverable as Petroleum Costs; and

16.8.3. regardless of the provisions of an Annual Work Program and Budget then in effect, and notwithstanding any other provisions of this Agreement, in case of an emergency or extraordinary circumstances causing an immediate and clear risk to the Project or any circumstance which poses a reasonable possibility of the imposition of material damages under any sale and purchase agreement for Petroleum, or any other requirement in the CONTRACTOR’S judgement acting as a Reasonable and Prudent Operator, the CONTRACTOR is hereby authorised to, and shall take, all immediate action and incur all resulting expenditures as the CONTRACTOR may deem necessary to protect and safeguard personnel, the Facilities and the Petroleum Operations, to maintain production so as to avoid any material damages under any sale and purchase agreement for Petroleum to prevent or alleviate any damage or loss thereto, or to prevent or mitigate pollution or other environmental damage, or generally to protect the interests of the Parties and their respective contractors. The CONTRACTOR shall promptly report to the Management Committee any such action taken and expenditures incurred or accrued, and all costs in respect thereof (excluding any damages under any sale and purchase agreement for Petroleum) shall be deemed included in the current Annual Work Program and Budget and therefore shall be submitted as Petroleum Costs.

17. MANAGEMENT COMMITTEE

17.1. Establishment of the Committee: A Management Committee shall be established by the Parties and shall first meet within thirty (30) days after the Effective Date. The Management Committee shall meet to review, discuss and make decisions in respect of the matters submitted for its consideration in accordance with the provisions of this Agreement, including:

17.1.1. consideration and approval of all EPC Contracts;

17.1.2. determination of all Approved EPC Contract Amounts;

17.1.3. consideration and approval of Annual Work Programs and Budgets including any modifications thereto;

17.1.4. consideration and approval of the Development Plan including any modifications thereto; and

17.1.5. establishment of the Technical, Tender, Accounting and Marketing Committees and any other committees it deems fit to establish from time to time and determination of their respective mandates and procedures.

17.2. Representatives: The Management Committee shall consist of four (4) representatives from each of the GOVERNMENT and the CONTRACTOR, with the GOVERNMENT representatives having one (1) vote each, and the CONTRACTOR having one (1) vote exercisable by its nominated voting representative.

17.3. Minimum CONTRACTOR Interest: To have the right to be a CONTRACTOR representative on the Management Committee, a Party comprising the CONTRACTOR shall
have a minimum contractor Interest of twenty percent (20%). In the event there are one or more CONTRACTOR Parties holding CONTRACTOR Interests of less than twenty percent (20%), then such Parties shall pool their interests and elect one of their members to represent them at Management Committee meetings. Notwithstanding the foregoing, the CONTRACTOR shall remain subject to the voting right in Article 17.2.

17.4. Notice of Appointment: Each of the GOVERNMENT and CONTRACTOR shall promptly after the Effective Date appoint its respective representatives and give notice to the other of the names of its representatives, including, for the CONTRACTOR, the name of its voting representative. Each of the GOVERNMENT and CONTRACTOR shall have the right to replace any or all of the representatives appointed by it at any time at its sole discretion and it shall notify the other Party accordingly. In the event that the CONTRACTOR’S nominated voting representative is unable to attend a meeting of the Management Committee, it shall nominate an alternate representative to attend that meeting as its voting representative and shall notify the GOVERNMENT accordingly. The General Manager shall not be one of the representatives of the CONTRACTOR on the Management Committee but shall attend the Management Committee meetings as a non-voting observer.

17.5. Full Power and Authority: Each of the GOVERNMENT’S representatives, and the CONTRACTOR’S voting representative appointed to the Management Committee shall have, and shall be deemed to have, full power and authority to represent and bind such Party with respect to all matters properly coming before the Management Committee.

17.6. Advisors: Each Party is entitled to bring its advisors to any meeting of the Management Committee.

17.7. Chairman; Secretary: The GOVERNMENT shall appoint one (1) of its representatives from time to time to act as the chairman of the Management Committee (the “Chairman”). The Chairman shall preside over the Management Committee meetings. The CONTRACTOR shall appoint one (1) of its representatives from time to time to act as the secretary of the Management Committee, who shall be responsible for preparing and maintaining the records and minutes of the Management Committee.

17.8. Alternates: In the event that a representative is unable to attend any meeting of the Management Committee, such representative shall have the right to appoint an alternate in his place, and any such alternate shall have the same rights and obligations as the representative he is replacing.

17.9. Meetings: The Management Committee shall meet at least once every calendar quarter in Doha State of Qatar, or any other place agreed upon by the GOVERNMENT and the CONTRACTOR. The Chairman shall provide at least thirty (30) days prior notice of each meeting to each representative which notice shall include an agenda for the proposed meeting and any appropriate supporting documentation. In addition, the GOVERNMENT and the CONTRACTOR are each entitled to call meetings of the Management Committee upon at least fifteen (15) days prior notice (or such shorter time as the Parties may agree) which notice shall include an agenda for the proposed meeting. Upon at least ten (10) days prior notice to the other Party, a Party can request that matters in addition to the matters set out in the agenda be considered at a meeting of the Management Committee already called for, and such additional matters shall be included in the agenda and considered at such meeting. All notices of meetings shall include such supporting documentation as is required for the Parties to make an informed decision on the matters coming before them for consideration and a decision at such meeting.
17.10. Quorum: The quorum for all meetings of the Management Committee shall be two representatives, one from each Party, provided that the Chairman appointed by the GOVERNMENT and the CONTRACTOR’S voting representative (or his alternate) are present. The Management Committee shall have the right to validly deliberate and make decisions binding on the Parties only if and while a quorum is present at the meeting.

17.11. Unanimous Decisions: The unanimous affirmative vote of all the voting representatives of each Party either present, or represented by an alternate, at a meeting of the Management Committee shall be required for any decision of the Management Committee to be effective and binding on the Parties. Notwithstanding the foregoing, if after good faith consultations such unanimous affirmative vote cannot be reached at any meeting, then the following shall apply:

17.11.1. If at that time the R Factor is less than one (R < 1), or if the matter concerns one of the items specified below in this Article 17.11.1, then the matter shall be referred to the senior management of each Party for resolution on a unanimous basis, failing which the matter shall be settled in accordance with Article 34:

(a) recommending any amendment or modification to this Agreement;

(b) the approval of any proposed development plan or, amendment or modification of any Development Plan submitted pursuant to Article 8;

(c) amendment or modification, of the rules and procedures adopted pursuant to Article 17.12; or

(d) the approval, amendment or modification of any Annual Work Plan and Budget, provided that the GOVERNMENT may require the CONTRACTOR to undertake capital projects during the last five (5) years of the terms of this Agreement only on mutually acceptable terms.

17.11.2. If at the time the R Factor is one or more (R = 1), and the matter does not concern one of the items specified in Article 17.11.1, then the position of the GOVERNMENT shall prevail.

17.12. Rules and Procedures: The GOVERNMENT and the CONTRACTOR shall jointly adopt at the first meeting of the Management Committee rules and procedures under which the Management Committee shall carry out its functions.

17.13. Accounting Committee: The Management Committee shall establish at its first meeting an accounting committee (the “Accounting Committee”) comprised of an equal number of representatives from the GOVERNMENT and from the CONTRACTOR.

17.14. Technical and Tender Committees: The Management Committee shall have the right to establish a technical committee (the “Technical Committee”) and a tender committee (the “Tender Committee”), each comprised of an equal number of representatives from the GOVERNMENT and from the CONTRACTOR.

17.15. Marketing Committee: The Management Committee shall have the right to establish a marketing committee (the “Marketing Committee”) comprised of an equal number of representatives from the GOVERNMENT and from the CONTRACTOR.

17.16. EPC Contracts:
17.16.1 The Management Committee shall assign responsibility for the review and oversight of the EPC Contracts to one or more subcommittees. Such responsibility shall include reviewing and reporting to the Management Committee, for its approval, whether the major components of the Project, including the offshore upstream Facilities, the NGL Plant and the GTL Plant, should be awarded in a single EPC Contract or multiple EPC Contracts.

17.16.2 If separate EPC Contracts are awarded then the timing of completion of the various EPC Contracts shall be coordinated to minimize variations between the deliverability of Gas from the offshore upstream Facilities, the input requirements of the NGL Plant, the output of Methane and Ethane and the input requirements of the GTL Plant.

17.17. Other Teams and Committees: The Management Committee shall have the right to establish, and determine the scope of responsibility and working procedures for, other teams and committees, as it deems appropriate, consistent with QP and industry practice within the State of Qatar.

17.18. Committee Governance: A representative of the GOVERNMENT shall act as chairman, and a representative of the CONTRACTOR shall act as secretary of each Committee team or task force.

17.19. Authority of Committees: Any committee, team, task force or other body established by the Management Committee including the Technical, Tender and Accounting Committees shall have no authority other than to advise, and make non-binding recommendations to, the Management Committee. No such committee, team, task force or other body shall have any authority to bind any Party in any way.

18. COST RECOVERY AND PROFIT SHARING

18.1. Cost Recovery: The CONTRACTOR’S recovery of Petroleum Costs from time to time shall be limited to the quantity of Cost Recovery Petroleum actually available to the CONTRACTOR at the Delivery Points each calendar quarter. For the purposes of cost recovery, all Petroleum Costs shall be classified as either Development Costs or Operating Costs, as set out more particularly in the Accounting Procedure.

18.2. Cost Recovery Petroleum: Commencing with the calendar quarter in which the Production Commencement Date occurs and for each calendar quarter thereafter, the CONTRACTOR shall recover all the Petroleum Costs recoverable in that calendar quarter from the lesser of (i) forty percent (40%) of the Net Petroleum Production for that calendar quarter or (ii) the amount of the Petroleum Costs recoverable in that calendar quarter (Cost Recovery Petroleum). Cost Recovery Petroleum shall be provisionally valued for each quarter at the actual price received for the various components of the Petroleum received in the previous quarter in which there was a sale of such product. Cost Recovery Petroleum for a particular quarter shall be reconciled during the following quarter based on the actual price received for the various components of the Petroleum in the quarter being reconciled. Such reconciliation shall be applied during the quarter in which it is calculated subject always to the first sentence of this Article 18.2. In the event such reconciliation would result in CONTRACTOR receiving more than 40% of the Net Petroleum production from such quarter, the excess reconciliation amount shall be carried forward as provided in Article 18.5.
18.3. Recovery of Operating Costs: Operating Costs shall be recoverable from Cost Recovery Petroleum during the same calendar quarter in which such costs were incurred or accrued, or as provided in Article 18.5.

18.4. Recovery of Development Costs: All Development Costs incurred or accrued prior to the Production Commencement Date shall be consolidated on such date, and thereafter shall be recoverable from Cost Recovery Petroleum on a straight-line depreciation basis at the rate of five percent (5.00%) per calendar quarter, commencing in the calendar quarter in which such Production Commencement Date occurs. All Development Costs incurred on or after the Production Commencement Date (calculated on an accrual basis) shall be consolidated at the end of each calendar quarter and shall be recoverable from Cost Recovery Petroleum on a straight line depreciation basis at the rate of five percent (5.00%) per calendar quarter commencing in the calendar quarter in which such costs were incurred.

18.5. Cost Carried Forward: To the extent that in any calendar quarter the maximum quantity of Cost Recovery Petroleum (for greater certainty being 40% of the Net Petroleum Production for the calendar quarter) is not sufficient for the recovery of all the Petroleum Costs recoverable for that calendar quarter then the amount of the recoverable Petroleum Costs which are not able to be recovered in the calendar quarter shall be carried forward and shall be eligible for recovery in the next succeeding calendar quarter or quarters, as necessary, until the termination or expiry of this Agreement, but in no case after the expiry or termination of this Agreement. Any Petroleum Costs not able to be recovered during the term of this Agreement pursuant to its terms shall be for the account of the CONTRACTOR, and without prejudice to any rights that CONTRACTOR may have with respect to unrecovered Petroleum Costs in the event of any wrongful termination by the GOVERNMENT of this Agreement, neither the GOVERNMENT nor QP shall have any liability to the CONTRACTOR, its affiliates, contractors or any other Person with regard to any unrecovered Petroleum Costs.

18.6. Order of Recovery: The order in which costs shall be recovered is as follows:
18.6.1. Firstly, Operating Costs as set out in Article 18.3;
18.6.2. secondly, Development Costs as set out in Article 18.4; then

18.6.3. thirdly, carried-forward costs as set out in Article 18.5.

18.7. R Factor: The R Factor to be used in determining the Parties’ respective entitlements to a share of any Profit Petroleum in each calendar quarter shall mean and be calculated on an accrual basis as the ratio of the CONTRACTOR’s cumulative revenues with regard to the Project from the Effective Date until the end of the preceding calendar quarter divided by the CONTRACTOR’s cumulative Petroleum Costs incurred until the end of the preceding calendar quarter. The CONTRACTOR’s cumulative revenues shall be the sum of (i) the aggregate value of Net Petroleum Production up to such date, based on the actual price received for Petroleum as set out in Article 19, and (ii) all other revenues received by the CONTRACTOR (other than insurance proceeds) associated with the conduct of the Petroleum Operations and not otherwise taken into account in reducing Petroleum Costs.

18.8. Profit Sharing: For each calendar quarter commencing with the calendar quarter in which the Production Commencement Date occurs, the CONTRACTOR’s percentage share of Profit Petroleum shall be equal to the relevant percentage specified in the following table applying the relevant “R” Factor during the same calendar quarter.

<table>
<thead>
<tr>
<th>R FACTOR</th>
<th>R≤1.25</th>
<th>1.25 &lt; R ≤ 1.50</th>
<th>R&gt; 1.50</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTRACTOR SHARE</td>
<td>18.9%</td>
<td>15.6%</td>
<td>11.8%</td>
</tr>
<tr>
<td>GOVERNMENT SHARE</td>
<td>81.1%</td>
<td>84.4%</td>
<td>88.2%</td>
</tr>
</tbody>
</table>

18.9. CONTRACTOR’s Entitlement: CONTRACTOR shall be entitled to receive, on a quarterly basis, Cost Recovery Petroleum plus its share of Profit Petroleum (cumulatively “CONTRACTOR’s Entitlement”).

18.10. GOVERNMENT’s Entitlement:

18.10.1. Prior to the calendar quarter in which the Production Commencement Date occurs, the GOVERNMENT shall be entitled to one hundred percent (100%) of the Net Petroleum Production.

18.10.2. For each calendar quarter commencing with the calendar quarter in which the Production Commencement Date occurs, the GOVERNMENT shall be entitled to a percentage share of the Profit Petroleum equal to one hundred percent (100%) of the Profit Petroleum minus the CONTRACTOR’s share of Profit Petroleum for that calendar quarter.

18.11. Example of Determining Contractor’s Entitlement: In a particular quarter if the R factor is 1.30 and the Cost Recovery Petroleum for such quarter is 32% of the Net Petroleum Production, then the CONTRACTOR’s Entitlement shall be the sum of 32% of Net Petroleum Production plus 15.6% of Profit Petroleum where Profit Petroleum equals Net Petroleum Production minus Cost Recovery Petroleum (100% - 32% = 68%). Therefore CONTRACTOR’s Entitlement would be equal to [32% + (15.6% x 68%)] x Net Petroleum production or 42.608% of Net Petroleum Production. Such calculation ignores any differences in Petroleum prices between the current quarter and the preceding quarter.
18.12. Economic Stabilization: In the event CONTRACTOR is subjected by GOVERNMENT or QP, to any additional liabilities, fees, taxes, imposts or costs of any sort or kind, other than deminimus ones, during the term of this Agreement, then CONTRACTOR shall have the right to request from QP a modification to the terms and condition of this Agreement that will restore CONTRACTOR to the economic position it was in prior to the imposition of such liabilities, fees, taxes, imposts, or costs.

19. MARKET PRICE OF PETROLEUM

19.1. Market Price: The Market Price for each grade, kind and type of Petroleum shall be determined in accordance with the Marketing Principles and Procedures.

19.2. Market Price for Non-Blended Petroleum: The Market Price for each grade, kind and type of Petroleum that is not blended with petroleum from any other project shall be determined for each calendar quarter. The Market Price shall be calculated as the volume weighted average F.O.B. price per unit of measurement at the relevant Delivery Point expressed in United States Dollars jointly obtained by the GOVERNMENT and the CONTRACTOR.

19.3. Market Price for Blended Petroleum: The Market Price of each kind of Petroleum that is blended with petroleum from other projects shall be determined on the basis of an evaluation of the market price of the kind of Petroleum in question prior to being blended or sold with any other petroleum and the market price after blended or sold with any other petroleum.

19.4. Delivery Point for Blended Petroleum: When any kind of Petroleum is sold in a commingled stream the CONTRACTOR’S Entitlement to that kind of Petroleum shall be at the sales delivery point of the commingled stream, and such point shall be considered to be the Delivery Point for that kind of Petroleum for the purposes of this Agreement.

19.5. Procedure for Determining Market Price for Blended Petroleum: The Parties shall use best endeavours to agree on mutually acceptable procedures for determining the Market Price of blended Petroleum, prior to blending, in accordance with Internationally Accepted Petroleum Industry Practices and Article 19.3;

20. PRODUCTION OF PETROLEUM

20.1. Maximum Production Rate: Subject to Article 2.6, the CONTRACTOR shall have at all times the right to produce Petroleum at a rate consistent with:

20.1.1. Internationally Accepted Petroleum Industry Practices;

20.1.2. a Reasonable and Prudent Operator’s reservoir management of the Contract Reservoirs;

20.1.3. the Parties’ obligations under any Petroleum Sale and Purchase Agreement; and

20.1.4. the terms and provisions of this Agreement.

20.2. Free Use of Petroleum in Operations: Subject to Article 9.3, the CONTRACTOR shall have the right to use, free of charge and on a first priority basis, quantities of Petroleum produced from the Contract Location and the Facilities necessary, in accordance with
Internationally Accepted Petroleum Industry Practices, for the conduct of the Petroleum Operations. If, and to the extent, the GOVERNMENT delivers electric power to the CONTRACTOR, there will then be no free use of Petroleum to generate electricity except with respect to electric power generation facilities that the CONTRACTOR has installed prior to the effectiveness of the agreement concerning deliveries by the GOVERNMENT of such electric power.

20.3. Flaring of Gas: CONTRACTOR, acting as a Reasonable and Prudent Operator, shall have the right to flare Gas for the following purposes:

20.3.1 testing of appraisal, development and production wells;

20.3.2 short term operational reasons; and

20.3.3 emergencies or other imperative and/or compelling operational circumstances.

Excluding emergencies or unforeseen operational circumstances all flaring of Gas must have the prior written approval of QP Gas flared under Articles 20.3.1, 20.3.2 and 20.3.3 and with the written approval of QP shall be free while Gas flared for any other reasons shall be paid for at the rate of US$0._____ per MMSCF escalated from the Effective Date at the rate of _____% per annum.
thereafter. The cost of such flared Gas shall not be a recoverable Petroleum Cost.

20.4. Cooling Seawater and Electric Power: The Parties agree that the cooling seawater supply and outflow, and electrical power for the Project and Petroleum Operations (other than electrical emergency backup and electricity generated within the Facilities as specified in the Development Plan) shall be purchased by the CONTRACTOR from the GOVERNMENT or its nominee on Non-Discriminatory Terms.

20.5. Monthly Reports: The CONTRACTOR shall provide the GOVERNMENT with monthly reports showing the quantity of net production for each kind of GTL Product for each month within five (5) days after the end of each month on a gross basis and within ten (10) days after the end of each month on a reconciled basis.

20.6. Measurement at the Delivery Point of Petroleum in Liquid Form: Each kind of liquid Petroleum shall be (i) transferred to the appropriate storage vessel or tank for that kind of Petroleum; (ii) the quantity and quality delivered shall be determined by CONTRACTOR based on measurements (determined by fiscal meters), sampling and testing in accordance with measurement procedures consistent with International Accepted Petroleum Industry Practices (the “Measurement Procedures”) and (iii) delivered to the Parties for marketing under Article 6 as it passes the Delivery Point for the kind of Petroleum in question.

20.7. Measurement at the Relevant Delivery Points of Free Gas and Ethane: The CONTRACTOR shall measure by fiscal meters, sample and test at the relevant Delivery Point, the quantity and quality of Free Gas and Ethane in accordance with the Measurement Procedures.

20.8. Measurement Method: The CONTRACTOR shall measure and test all Petroleum production before blending with any other petroleum and in any event before delivery to the Parties for joint marketing under Article 6 at the relevant Delivery Point in accordance with the Measurement Procedures. The Parties shall use best endeavours to agree within twelve (12) months of the Effective Date, or such within such longer period as the Parties may agree, on mutually acceptable procedures for the measuring and testing of all Petroleum production before blending, in accordance with Internationally Accepted Petroleum Industry Practices (the “Measurement Procedures”).

20.9. Fiscal Meters: The CONTRACTOR shall install and maintain fiscal meters at the Ethane Delivery Point and the Free Gas Delivery Point. The fiscal meters shall be calibrated by the CONTRACTOR at least once each six (6) months, and at any time reasonably requested by the GOVERNMENT according to such metering procedures as shall be incorporated in the Measurement Procedures. If the GOVERNMENT so desires, it shall be entitled to have representatives present to witness all calibrations, but the calibration and repair of the fiscal meters shall be the responsibility of the CONTRACTOR. The cost of repair, maintenance and calibration of all fiscal meters shall be submitted as Petroleum Costs.
20.10. Measurement Records: The CONTRACTOR shall keep complete and accurate records of measurements of all kinds of Net Petroleum Production for a period of three (3) years after each such measurement was made, and thereafter, pertinent summaries of the same for a period of seven (7) years. Such records shall be made available during regular working hours for inspection by representatives of the GOVERNMENT, subject to reasonable notice.

20.11. Settlement by Experts: If any dispute arises between the Parties regarding measurement methods, devices, or records which cannot be resolved amicably, either Party can request that such dispute be settled by Expert(s), in which case the procedure set forth in Article 34.2 shall be implemented.

20.12. Title to Reserves: The GOVERNMENT shall, subject to the rights of the CONTRACTOR under this Agreement, at all times and under all circumstances, own and hold title to the total hydrocarbon reserves in the Contract Reservoirs, and the CONTRACTOR shall refrain from creating any lien, mortgage or other charge or any encumbrance whatsoever on such reserves.

20.13. Title to and Risk of Petroleum After Delivery: Each Party shall, subject to Article 6, at the relevant Delivery Point, receive individual title to and assume risk of loss of, and thereafter become solely responsible for the handling and disposal of its Entitlement.

20.14. Quality of Net Petroleum Production: The CONTRACTOR shall use all reasonable efforts to ensure that the quality of the net production of all kinds of Petroleum meets or exceed the relevant sales specifications at the relevant Delivery Points.

21. BONUSES AND INTEREST

21.1. Bonuses: The CONTRACTOR shall pay the GOVERNMENT the following separate bonuses promptly when due:

21.1.1. Upon the signing of this Agreement, an amount of ______ million United States Dollars (US$____,000,000);

21.1.2. at Production Commencement Date, an amount of ______ million United States Dollars (US$____,000,000);

21.1.3. one (1) calendar month after R is > 1 for a period of six (6) consecutive months a bonus in the amount of _____ million United States Dollars (US$_____00,000,000);

for a combined total of bonuses in the amount of _____ million United States Dollars (US$_____00,000,000).
21.2. No Recovery: The Bonuses shall be part of the consideration for CONTRACTOR’S access to the Contract Reservoirs. Bonuses shall be non-refundable in all circumstances and shall not constitute part of Petroleum Costs.

21.3. Interest on Overdue Payments: In the event any Bonus or payment set out in this Agreement is not received by the Party to whom such Bonus or payment was due on or before the relevant due date, interest shall accrue on the unpaid amount at a rate equal to LIBOR plus two percent (2%) from the due date until the actual date of payment, without prejudice to any other remedies available to the GOVERNMENT or CONTRACTOR under this Agreement. Any interest payable pursuant to this Article 21.3 shall not be considered Petroleum Costs.

22. TAXES

22.1. Subject to Qatar Income Tax Law: The CONTRACTOR shall be subject to and comply with, but in any event always subject to the provisions of Article 22, the requirements of the Qatar Income Tax Law with respect to the computation of tax, filing of returns, assessments of tax and keeping of records for review by authorised persons.

22.2. Tax Declaration: The CONTRACTOR shall, pursuant to Article 27.2, submit a financial statement together with a tax declaration of each Company at the times required by the Qatar Income Tax Law and shall, contemporaneously with such filing, forward a copy of such declaration to the GOVERNMENT.

22.3. Tax Rate: The tax rate applicable to the CONTRACTOR with regard to all taxable income generated by the Petroleum Operations for the term of this Agreement shall be thirty-five percent (35%), regardless of whether the rate which would otherwise be applicable from time to time pursuant to the Qatar Income Tax Law is higher or lower.

22.4. Taxable Income: The amount of taxable income of the CONTRACTOR with regard to the Petroleum Operations for each year, shall be calculated as follows:

22.4.1. the total of:

(a) the sums received by the CONTRACTOR from the sale or other disposition of its Entitlement during the tax year;

(b) the amount of the CONTRACTOR’S Qatar income tax to be paid by the GOVERNMENT on the CONTRACTOR’S behalf pursuant to Article 22.5 for such year; and

(c) any other income received by the CONTRACTOR from Petroleum Operations during the tax year;

22.4.2. less a deduction for:
(a) the total of the amount of Petroleum Costs recovered by the CONTRACTOR pursuant to Article 18.2 during such year;

(b) an amount calculated by amortizing over the remaining term of this Agreement, any of the Bonuses actually paid to the GOVERNMENT; and

(c) any other deductible amounts not covered in the foregoing.

22.5. Income Tax Paid By GOVERNMENT: The GOVERNMENT shall assume, pay and discharge or cause to be discharged on behalf of CONTRACTOR all Qatar income tax of the CONTRACTOR (including for greater certainty, Qatar income tax payable on payments made on behalf of the CONTRACTOR pursuant to this Article 22.5). QP, acting on behalf of the GOVERNMENT shall perform these duties. The GOVERNMENT shall furnish to the CONTRACTOR the proper official receipt or receipts evidencing the payment of such taxes within ninety (90) days after receipt of the copy of the Company’s tax declaration filed pursuant to Article 22.2. Such receipt or receipts shall be issued in the name of each company and, in respect of each Company, state the amount of income tax paid and other particulars customarily thereon. Once the CONTRACTOR has discharged its obligation to file the Company’s tax declarations in a timely manner pursuant to the Qatar Income Tax Law, the Companies shall not have further liability for any additional taxes, penalties or interest that may result from any late or delinquent payment of taxes.

22.6. Assignment: In the event of an assignment of any CONTRACTOR Interest in accordance with this Agreement, it is understood that the provisions of Article 22 regarding the computation, assessment, and payment of the CONTRACTOR’S taxes under the Qatar Income Tax Law and the receipts therefor, shall apply separately and individually to each individual company forming a part of the CONTRACTOR from time to time.

22.7. Other taxes: Except as otherwise provided in this Agreement or in respect of fees for services rendered by the GOVERNMENT and its Affiliates under separate contractual arrangements, during the term of this Agreement the CONTRACTOR, the contractors for the EPC Contract and drilling, and their sub-contractors and Affiliates of the CONTRACTOR who are purchasers of Net Petroleum Production, shall be exempted from any other tax, or royalties, excise, or similar charge payable to the GOVERNMENT or its Affiliates with respect to Petroleum Operations or Petroleum marketing, or capital or property utilised in Petroleum Operations, income derived from such operations, the transfer or distribution, including any distribution to any Company’s shareholders, of cash or property connected therewith, or the payment of interest in relation thereto (including interest payable to lenders in connection with financing any aspect of the Project). The aforementioned exemption shall extend to the contractors of the CONTRACTOR for contracts signed (i) up to the first anniversary of the Production Commencement Date; and (ii) provided that the particular Petroleum Operation undertaken for or on behalf of the CONTRACTOR involves total expenditure of a capital nature in a tax year equal to or greater than ten million United States Dollars (US$10,000,000), after the first anniversary of the Production Commencement Date.

23. SERVICES, PURCHASES, AND CUSTOM DUTIES

23.1. Services: The CONTRACTOR shall have the right to engage the services of any Company, QP, their respective Affiliates and third parties of its own choosing as contractors to carry out the Petroleum Operations, subject to the following:
23.1.1. services which are rendered by a Company or its Affiliate, shall be rendered at cost (including overhead) based upon a tariff structure which has been reviewed and approved annually by the Management Committee; and

23.1.2. at a tariff structure that is competitive and consistent with prevailing market prices at the location where such specific services are rendered.

23.2. Preference for Local Services: In selecting contractors for the provision of any services for the Petroleum Operations to be performed in the State of Qatar, the CONTRACTOR shall select, when possible, individuals who are nationals of the State of Qatar or companies which are majority owned by individuals who are nationals of the State of Qatar, to the extent such individuals and companies are invited to participate in the tender for the provision of such services, provided that:

23.2.1. the CONTRACTOR, in its judgement acting reasonably, is satisfied (on the basis of demonstrated ability, experience, quality, timely performance, workmanship and other relevant criteria) with their ability to properly perform the work entrusted to them;

23.2.2. the cost of such services does not exceed one hundred and ten percent (110%) of the lowest acceptable cost for equivalent or comparable services offered by or otherwise available from non-Qatari nationals or companies which are majority owned by non-Qatari nationals; and

23.2.3. the other terms and conditions (including quality, deliverability and reliability) applicable to such services are otherwise competitive with those available from non-Qatari nationals or companies which are majority owned by non-Qatari nationals.

23.3. Purchases: In purchasing goods for the Petroleum Operations, the CONTRACTOR shall give preference, when possible, to goods which are manufactured in part or whole within the State of Qatar or which are offered by individuals who are nationals of the State of Qatar, or by companies which are majority owned by individuals who are nationals of the State of Qatar, to the extent such individuals and companies are invited to participate in the tender for the purchase of such goods, provided that:
23.3.1. the CONTRACTOR, in its judgement acting reasonably, is satisfied (on the basis of demonstrated quality, experience, workmanship, availability in the quantity and at the times when needed, and, as may be appropriate, availability of service and support, and other relevant criteria) with the fitness of such goods;

23.3.2. the price of the goods does not exceed one hundred and five percent (105%) of the lowest acceptable all inclusive cost offered by or otherwise available for equivalent or comparable goods not manufactured in the State of Qatar or supplied by non-Qatari nationals or companies which are majority owned by non-Qatari nationals; and

23.3.3. the other terms and conditions (including quality, deliverability and reliability) on which such goods are offered or otherwise available are competitive with those available for goods not manufactured in the State of Qatar or available from non-Qatari nationals or companies which are majority owned by non-Qatari nationals.

23.4. Import, Export, Custom Duties: With regard to imports, exports and custom duties and other similar charges, the following provisions shall apply:

23.4.1. except as set forth in Article 23.4, the custom laws and regulations of the State of Qatar shall apply to CONTRACTOR, the Operator and their respective Affiliates and contractors in the conduct of all Petroleum Operations;

23.4.2. there shall be no export license required, and the Companies, the Operator and their respective Affiliates and customers shall be exempt from any charge, duty free, tax or similar imposition with regard to the export of Petroleum;

23.4.3. the Project Property and any other property whatsoever to be used in conjunction with the Project or Petroleum Operations which is rented, leased or owned by the CONTRACTOR, the Operator or their respective Affiliates, contractors and personnel, regardless of whether the acquisition cost thereof is charged as a Petroleum Cost, may be freely imported into the State of Qatar exempt from any charge, duty, tax or similar imposition but otherwise in accordance with the laws and customs regulations of the State of Qatar. Such property, the acquisition cost of which is not charged as a Petroleum Cost, may be freely exported from the State of Qatar, exempt from any charge, duty, tax or similar imposition, but otherwise in accordance with the laws and customs regulations of the State of Qatar;

23.4.4. personnel, including employees and contractors, assigned or hired to perform services or tasks for the CONTRACTOR for the Project shall have the right to import into and export from the State of Qatar all ordinary and/or necessary personal effects free from any import duties, export duties, impositions or other similar charges; and
23.4.5. all fees, tariffs, charges and other costs for services, licenses, permits, port dues, port tariffs and port charges, all of which are of general application, and all rental payments, whether the same are paid to the GOVERNMENT, its Affiliates or any third party, shall not be considered as charges, duties, royalties, levies, excises or other GOVERNMENT extraction for the purposes of Articles 22 and this Article 23.4, and shall be calculated at the rates applicable in the State of Qatar as of the Effective Date.

23.5. Marine Transportation: In contracting for marine transportation services with regard to the conduct of the Petroleum Operations, the CONTRACTOR shall comply with the State of Qatar Council of Minister’s Resolution dated 18 November 1981 regarding preference for marine transportation provided by Qatari companies.

23.6. Shared Services: The CONTRACTOR shall endeavour in conducting the Petroleum Operations to utilise to the greatest extent reasonably possible from time to time the existing and available services of QP, its Affiliates and other operators, on mutually agreed terms provided that the utilisation of such services would benefit the Petroleum Operations.

23.7. Competitive Terms and Conditions: Subject to Articles 23.2 and 23.3, the CONTRACTOR shall ensure the goods and services obtained for the conduct of the Petroleum Operations including those goods and services provided by QP, the CONTRACTOR, a Company or their Affiliates) are obtained on competitive terms conditions. The CONTRACTOR may purchase goods, services and materials from any Company and its Affiliates, subject always to Article 23.1 and the procedures established by the Management Committee and/or the Tender Committee.

24. TITLE TO ASSETS
24.1. Purchased Property: All interest in, and rights and title to all the Project Property shall be subject to the following:

24.1.1. all interests in land in the State of Qatar shall immediately vest in the GOVERNMENT on the date the acquisition thereof becomes effective; and

24.1.2. subject to Article 24.7, all interests in fixed (other than land), immovable and movable assets in the State of Qatar shall pass to the GOVERNMENT on the earlier of either the date on which the cost thereof has been recovered by the CONTRACTOR pursuant to Article 18 and the Accounting Procedure, or the date of expiration or termination of this Agreement.

24.2. Maintenance of Project Property: The CONTRACTOR shall ensure during the term of this Agreement that all of the Project Property, including for greater certainty the Facilities, are properly suited for the use intended and maintained at all times in good operational condition, normal wear and tear excepted, to a standard expected of a Reasonable and Prudent Operator. The CONTRACTOR shall ensure that the title to the Project Property is at all times free from all liens, mortgages charges, or encumbrances whatsoever unless otherwise agreed by the GOVERNMENT and that the exercise of any lien, mortgage, charge or encumbrance is in accordance with this Agreement. The CONTRACTOR shall be responsible for and shall defend, indemnify and hold harmless the GOVERNMENT from any defects in the Project Property, which would otherwise have been corrected or rectified by a Reasonable and Prudent Operator. The provisions of this Article 24.2 shall not apply to assets of the CONTRACTOR, the acquisition cost of which is not charged as a Petroleum Cost.

24.3. Full Use of Property by the CONTRACTOR: Notwithstanding Article 24.1, the CONTRACTOR shall have, during the term of this Agreement, the exclusive, free and full use of all Project Property and the non-exclusive use of other facilities (to the extent the GOVERNMENT can grant such right) for the conduct of the Petroleum Operations. If any of the Project Property is not needed by the CONTRACTOR on an exclusive basis for the conduct of the Petroleum Operations, and the joint use thereof by the CONTRACTOR and any third parties designated by the GOVERNMENT and acceptable to the CONTRACTOR acting reasonably would not harm, prejudice, hinder, delay or otherwise materially interfere with the Petroleum Operations or materially and adversely affect the economic benefit to be derived therefrom by the CONTRACTOR, then the CONTRACTOR shall make such Project Property available for use by such third parties provided that an agreement is reached between the CONTRACTOR and third parties (subject to prior approval by the GOVERNMENT) defining their respective rights, obligations and liabilities in consequence of such joint use thereof.

24.4. Risk of Loss or Damage: Notwithstanding that title to any of Project Property has passed to the GOVERNMENT, all risk of loss or damage associated with the Project Property and the use of other facilities for the conduct of the Petroleum Operations shall remain with the CONTRACTOR in accordance with the CONTRACTOR’S continued usage of the Project Property.

24.5. Book Value: Within ninety (90) days after the end of each year, the CONTRACTOR shall advise the GOVERNMENT of the book value of each major component of the Project Property acquired as part of Petroleum Operations during such year in accordance with the Accounting Procedure.
24.6. Removal of Property: If the GOVERNMENT should require the removal of any of the Project Property from the Contract Location or from any other location in the State of Qatar prior to or upon the expiration or termination of this Agreement for whatever reason, the CONTRACTOR shall promptly remove such Project Property, provided that such removal does not materially interfere with the conduct of the Petroleum Operations and subject to mutual agreement between the Parties regarding the timing and manner of the payment of the costs related to such removal.
24.7. Non-GOVERNMENT Property: Title to all assets, including machinery, equipment, materials, supplies, and other property, which is rented or leased to, or which belongs to, any Company, the CONTRACTOR, the Operator and their respective contractors or personnel and is used temporarily in the conduct of the Petroleum Operations shall remain in their ownership and title shall not pass to the GOVERNMENT pursuant to this Agreement.

24.8. GTL Technology:

24.8.1 Use: The CONTRACTOR will use proprietary GTL technology in the Project (“GTL Technology”) for the production of GTL Products. Such GTL Technology is subject to patents, trademarks, trade secrets, licensing agreements and confidentiality provisions (“GTL Confidentiality Provisions”) which limit the disclosure of data and information about the GTL Technology. To the extent it is permitted to do so, CONTRACTOR will make available to QP for its review and inspection the GTL Confidentiality Provisions. If required to do so to review and inspect the GTL Confidentiality Provisions, QP shall enter into a confidentiality agreement with the owner of the GTL Technology.

24.8.2 Availability of GTL Technology During the Term: CONTRACTOR shall assure that GTL Technology, including the use thereof, remains fully available to the Project during the Term of this Agreement.

24.8.3 Availability Following Term: CONTRACTOR shall use its best efforts to acquire an extension of the GTL Technology for the benefit of QP (or its nominee) for the remaining useful life of the Facilities following the termination of this Agreement. QP shall cooperate fully with CONTRACTOR in acquiring such extension, including the entering into GTL Confidentiality Provisions and licensing agreements directly with the owner of the GTL Technology. CONTRACTOR shall use its best efforts to have such GTL catalyst made available to QP (or its nominee) on commercially reasonable terms and conditions, comparable to the most favourable terms and conditions upon which the providers thereof are providing the GTL Technology to other similar facilities. All costs of such extensions shall be borne by QP (or its nominee), including any licensing fees.

24.8.4 Catalyst Manufacture and Supply: CONTRACTOR shall include in the assistance granted under Article 24.8.3 access to proprietary GTL catalyst for the remaining useful life of the Facilities following the termination of this Agreement. CONTRACTOR shall use its best efforts to have such GTL catalyst made available to QP (or its nominee) on commercially reasonable terms and conditions, comparable to the most favourable terms and conditions upon which the providers thereof are providing the GTL catalyst to other similar facilities. All costs of such supply agreements shall be borne by QP (or its nominee).
24.8.5 Future Technology Research & Development: CONTRACTOR shall use its best efforts to obtain for the Project the benefits of any future research and development and improvements in the GTL Technology. The costs of acquiring such benefits shall be Petroleum Costs.

25. DISPOSITION OF PROJECT PROPERTY

25.1. Surplus and Junk Property: Notwithstanding the provisions of Article 24, the CONTRACTOR may at all times sell any surplus but still serviceable portion of the Project Property in accordance with Article 25.2, provided that the purchasers thereof pay any applicable customs duties. The CONTRACTOR may deem any portion of the Project Property to be non-serviceable and classify and sell such Project Property as scrap or junk in accordance with Article 25.2.

25.2. Disposition: The CONTRACTOR shall, at the option of the GOVERNMENT, either sell the Project Property referred to in Article 25.1, (a) to the GOVERNMENT at such Project Property acquisition cost minus the portion thereof recovered by the CONTRACTOR pursuant to Article 18, or (b) to a third party. In the event the sale of any of the Project Property is proposed by the CONTRACTOR, the GOVERNMENT shall within thirty (30) days of notice from the CONTRACTOR choose either to buy such Project Property or approve sale of such Project Property to a third party, provided that if the CONTRACTOR has not received from the GOVERNMENT notice of its choice within such time, the CONTRACTOR shall be entitled to proceed with such sale to the third party. The proceeds of such third party sale shall be shared between the GOVERNMENT and the CONTRACTOR as follows:

25.2.1. the CONTRACTOR shall retain the portion of such sale proceeds equal to the acquisition cost of the Project Property, minus the portion thereof recovered by the CONTRACTOR pursuant to Article 18; and

25.2.2. the GOVERNMENT shall receive any remaining portion of such proceeds.

26. PARENT COMPANY GUARANTEE

26.1. Guarantee: Each Company shall deliver to the GOVERNMENT a performance guarantee of all its obligations under this Agreement duly executed by the ultimate parent company of each Company in substantially the same form as set out in Appendix “C”, no later than the Effective Date.

26.2. Assignment: In the event of an assignment by a Company of any portion of its CONTRACTOR Interest, the assignor shall ensure that a condition of the assignment is that the ultimate parent company of the assignee executes and delivers to the GOVERNMENT a guarantee in substantially the same form as set out in Appendix “C”.

27. ACCOUNTING AND AUDITING

27.1. Accounts and Records: The CONTRACTOR shall keep in the State of Qatar clear and accurate original and duplicate United States Dollar based accounts and records of all Petroleum Operations and Petroleum Costs, and upon reasonable prior notice the CONTRACTOR shall, within thirty (30) days of receiving such notice, provide such accounts and records in a meaningful form to the GOVERNMENT and/or its representatives for inspection. The CONTRACTOR shall prepare such accounts and records in accordance with the Accounting Procedure. The Parties shall use best endeavour to agree within twelve (12) months of the Effective Date, or within such longer period as the Parties may agree, on a
mutually acceptable accounting procedure in accordance with internationally accepted accounting standards, QP standards (including those of its Affiliates) and generally accepted international accounting procedures ("Accounting Procedure").

27.2. Balance Sheet and Profit/Loss Statement: The CONTRACTOR shall submit to the GOVERNMENT a balance sheet, profit and loss statement and cash-flow statement for each year by March 31\textsuperscript{st} of the following year, describing the net profit or loss and cash flow resulting from the conduct of the Petroleum Operations for such year.

27.3. Information to the GOVERNMENT: The CONTRACTOR shall keep the GOVERNMENT fully informed as to the progress and results of the conduct of the Petroleum Operations and shall give to the GOVERNMENT all such information on a regular basis, as determined from time to time by the Management Committee.

27.4. Statements of Petroleum Costs: The CONTRACTOR shall submit to the GOVERNMENT with forty five (45) days after the end of each calendar quarter, a statement of Petroleum Costs ("Statement of Petroleum Costs") showing the calculation of the aggregate total of all Petroleum Costs incurred or accrued and the portion of those Petroleum Costs then recovered by the CONTRACTOR pursuant to Article 18, and describing the Petroleum Costs incurred or accrued by the CONTRACTOR during such calendar quarter, which shall be prepared in accordance with the Accounting Procedure. Each Statement of Petroleum Costs shall be prepared to the degree of accuracy normally expected of a Reasonable and Prudent Operator and certified as correct by the General Manager.

27.5. GOVERNMENT Audit Rights: The GOVERNMENT shall have the right at all times to inspect and audit the Statements of Petroleum Costs and all other records, books and accounts regarding the Petroleum Operations prepared by or in the possession of the CONTRACTOR and, to the extent any of its Affiliates provides services for the Petroleum Operations, its Affiliates and their respective contractors at the place where such records, books and accounts are normally kept. Upon receipt of at least thirty (30) days notice of an audit, the CONTRACTOR shall make available, or procure that its Affiliates make available, to the GOVERNMENT and its representatives all such records, books and accounts relevant to the audit that are in its possession or control. The GOVERNMENT shall endeavour to minimise the duplication of audits.

27.6. Audit of Statements of Petroleum Costs: Each Statement of Petroleum Costs submitted to the GOVERNMENT pursuant to Article 27.4 shall be conclusively presumed to be true and correct and therefore final and approved for all purposes under this Agreement on the second (2\textsuperscript{nd}) anniversary of the end of the year containing the calendar quarter to which such Statement of Petroleum Costs refers, unless before the end of such period the GOVERNMENT:

27.6.1. commences an audit of the Statement of the Petroleum Costs and within a maximum of six (6) months thereafter the GOVERNMENT completes such audit; and/or

27.6.2. within sixty (60) days of the completion of such Audit, the GOVERNMENT gives a notice to the CONTRACTOR taking exception to any of the Petroleum Costs contained in the Statement of Petroleum Costs, and detailing the reasons therefore. The Parties shall meet within thirty (30) days after the date of receipt of such notice by the CONTRACTOR and shall endeavour to reach agreement and make any required adjustment to the Statement of Petroleum Costs. If no such agreement is reached within sixty (60) days
after the date of the Parties’ first such meeting, then either Party may, at any time thereafter, elect to settle the dispute in accordance with Article 34.

27.7. Independent Audit: The CONTRACTOR shall arrange for an annual audit of its books and records including financial statements, pertaining to Petroleum Operations by external, independent auditors registered in the State of Qatar, the costs of which shall be submitted as Petroleum Costs.

27.8. CONTRACTOR Audit Rights: To the extent QP or any of its Affiliates provides services for the Petroleum Operations, the CONTRACTOR shall have the right at all times to inspect and audit the records, books and accounts regarding the provision of such services prepared by or in the possession of QP or its Affiliates at the place where such records, books and accounts are normally kept. Upon receipt of at least thirty (30) days notice of an audit, QP shall make available or procure that its Affiliates make available to the CONTRACTOR and its representatives all such records, books and accounts relevant to the audit. The CONTRACTOR shall endeavour to minimise the duplication of audits.

28. CURRENCY

28.1. Currency of Payments under this Agreement: Any and all payments to be made under this Agreement by either Party shall be made in United States Dollars or, by mutual agreement of the Parties, in any other currency freely convertible into United States Dollars using the spot rate of purchasing such currency applicable under the Accounting Procedure on the date of the transaction. At the option of either Party, payments shall be made by wire transfer into an account selected by such Party as set out in a notice to the other Party.

28.2. CONTRACTOR’S Rights: Each Company, the Operator, their respective Affiliates and contractors, and their respective personnel engaged in the conduct of the Petroleum Operations, and dependents of such personnel, shall have the following rights subject to the currency laws and regulations of the State of Qatar:

28.2.1. to freely maintain and operate bank accounts in any currencies and at any location within or outside of the State of Qatar, and freely remit funds from the State of Qatar and retain funds outside the State of Qatar and dispose of any funds, including for greater certainty funds from the sale or other disposition of the CONTRACTOR’S Entitlement;

28.2.2. to freely bring into and remit from the State of Qatar and retain abroad funds in currencies other than Qatar Riyals, and

28.2.3. to freely exchange any currencies into Qatar Riyals at the then current local public market rate and vice versa.

29. ASSIGNMENT

29.1. Assignment by Company: Any Company may assign any or all of its CONTRACTOR Interest to:

29.1.1. a Wholly Owned Affiliate to another Company or to any such other Company’s Wholly Owned Affiliate, upon notice thereof to the GOVERNMENT; or

29.1.2. subject to the GOVERNMENT’S right of first refusal pursuant to Article 29.4, any of its or any other Company’s Affiliate which is not a Wholly Owned Affiliate or to any
third party, subject to and conditional upon the prior written consent of the GOVERNMENT, such consent not to be unreasonably delayed or withheld.

29.2. Minimum CONTRACTOR Interest: No assignment of a Party’s CONTRACTOR Interest shall result in that Party or the assignee holding a CONTRACTOR interest of less than ten percent (10%).

29.3. Assignee’s Obligations: Upon any assignment under Article 29.1, the assignee shall enter into an agreement with the GOVERNMENT and the remaining Companies amending this Agreement such that the assignee shall become a signatory to this Agreement so amended, and succeed to and be substituted for the assignor as though the assignee had been an original signatory to this Agreement. In the case of any assignment under Article 29.1, the ultimate parent company of the assignee shall guarantee the performance of the assignee and shall provide such guarantee upon the effective date of the assignment in accordance with Article 26.
29.4. **GOVERNMENT’S Right of First Refusal on Assignment by any Company:** Except in relation to any one or more assignments in accordance with Article 29.1.1 any assignment by a Company of any CONTRACTOR Interest to any third party shall be subject to a right of first refusal in favour of the GOVERNMENT. The assignor shall give the GOVERNMENT, the CONTRACTOR and every other company forming part of the CONTRACTOR at least one hundred and twenty (120) days notice of its intention to assign a CONTRACTOR Interest, and such notice shall specify in full detail the identity of the intended assignee, and the terms and conditions of the pending assignment. Upon receipt of such notice the GOVERNMENT shall have ninety (90) days thereafter in which to elect to purchase the CONTRACTOR Interest being assigned on the same terms and conditions as set out in the notice. The GOVERNMENT may make its election by giving notice to the CONTRACTOR within the ninety (90) day period and in such event the assignor shall enter into an appropriate sale and assignment agreement with the GOVERNMENT and assign the interest to the GOVERNMENT on the closing date of the assignment. If the GOVERNMENT declines to exercise a right of first refusal, then the assignor may assign the CONTRACTOR Interest but only on the same terms and conditions as specified in its original notice of intention to assign.

29.5. **Assignment by the GOVERNMENT:** The GOVERNMENT shall be free to assign any Acquired Interest to a Wholly Owned Affiliate of the GOVERNMENT, including for greater certainty QP, or a company wholly owned, directly or indirectly, by Qatar nationals, provided that such company has and will maintain the required financial ability, technical competence and professional skills necessary to perform its CONTRACTOR Interest share of the obligations of the CONTRACTOR, upon giving the CONTRACTOR prior notice and the details thereof. Such assignment shall not affect the obligations of the GOVERNMENT with respect to the CONTRACTOR pursuant to this Agreement.

29.6. **Corporate Reconstruction:** Any assignment or issue of shares by or in any Company (including any assignment or issue of shares pursuant to the enforcement of any lien, mortgage, charge or encumbrance), or other corporate transaction including merger, amalgamation or assignment of any ownership interests which result in such Company ceasing to be a Wholly Owned Affiliate of such Company’s ultimate parent company, shall be treated as an assignment of such Company’s interest to a third party and subject to the GOVERNMENT’S prior written consent in accordance with Article 29.1.2.

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6 While included in this draft DPSA, the concept of the Government having back-in rights or a right of first refusal to a participating interest in a Production Sharing Contract is inconsistent with the principles of a PSC where the Government or QP does not assume any of the risks of the Project. Rather the Government or QP receives an Entitlement to Profit Petroleum without any of the risks attached to those Parties who are the participating interest owners. The Government receives its full compensation under a PSC for permitting the development and exploitation of the national patrimony through its Entitlement to Profit Petroleum. The Contractor receives its payment for taking all of the risks and assuming all of the costs of appraisal, development and production of hydrocarbons through its Entitlement consisting of Cost Recovery Petroleum and its share of Profit Petroleum. Back-in rights and a right of first refusal in favor of the Government are, however, completely consistent with a Joint Venture Agreement where the Government participates in the risks and rewards of a project based on the percentage of its participating interest ownership. Under a JVA the Government has participated in some of the risks of development and
production of hydrocarbons and can legitimately retain a back-in and/or a right of first refusal.
29.7. Successors and Assignees: This Agreement shall be binding upon and shall inure to the benefit of the Parties and each of their respective successors and permitted assigns.

29.8. Assignment Free from Taxes: Any assignment of a CONTRACTOR Interest made in accordance with Article 29 shall be free of assignment or related taxes, charges or fees (other than customary and reasonable administrative and/or services fees).

30. TERMINATION

30.1. Right to Termination by the GOVERNMENT: Subject to Articles 30.3 and 30.7, the GOVERNMENT shall have the right to terminate this Agreement by notice to the CONTRACTOR upon the occurrence of any of the following events:

30.1.1. the CONTRACTOR fails to make any payment of a Bonus; or

30.1.2. the CONTRACTOR fails to demonstrate, to the reasonable satisfaction of QP, substantial and continuing steps to secure Project financing within 12 months after the later completion of the FEED or the Effective Date, subject to sixty (60) day notice from QP of its intention to terminate this Agreement for such failure of financing progress; or

30.1.3. the Production Commencement Date does not occur within twelve months after the estimated completion date for the Facilities as set forth in the FEED; or

30.1.4. the CONTRACTOR is unable to achieve and maintain continuous production of GTL Products at a rate equivalent to seventy-five percent (75%) of the Facilities Design Capacity within twelve months after the estimated completion date for the Facilities as set forth in the FEED; or

30.1.5. the CONTRACTOR fails to fulfil any of the CONTRACTOR’S other obligations under this Agreement and such failure has a material and adverse effect on the rights of the GOVERNMENT or the State of Qatar.

30.2. Right to Termination by the CONTRACTOR: Subject to Articles 30.3 and 30.7, the CONTRACTOR shall have the right to terminate this Agreement by notice to the GOVERNMENT if the GOVERNMENT fails to fulfil any of the GOVERNMENT’S material obligations under this Agreement and such failure has a material and adverse effect on the rights of the CONTRACTOR under this Agreement. If this Agreement is terminated pursuant to this Article 30.2, and no claim has arisen under a guarantee, all guarantees delivered by the CONTRACTOR to the GOVERNMENT shall be immediately cancelled and neither Party shall have any further claims against the other Party in respect of such termination.

30.3. Remedy and Cure: If an event occurs giving a Party the right to terminate this Agreement pursuant to Articles 30.1 or 30.2, the complaining Party shall give notice to the other Party specifying the event relied upon for termination, and the Party receiving such notice shall have a period of ninety (90) days, to remedy the default or, if such failure is not able to be cured within such period, to promptly and diligently commence, and continue, to remedy the default. If the Party alleged to be in default has not remedied or is not continuing to remedy such default within such ninety (90) day period, the complaining Party may give notice of termination, and this Agreement shall terminate upon the date of the other Party's receipt of the notice; provided, however, that, if the Parties do not agree that a default has occurred and if such dispute has been submitted to arbitration pursuant to Article 34, then this Agreement shall remain in effect during the pendency of such
arbitration proceedings and for so long thereafter as may be specified in the final arbitration award.

30.4. Extension of Termination Period for Articles 30.1.3 or 30.1.4: In addition to the rights under Article 30.3, if the CONTRACTOR anticipates that a right of termination in favour of the GOVERNMENT may arise under Article 30.1.3 or 30.1.4 it shall have the right to notify the GOVERNMENT of such event and shall have the right to seek an extension of the time period under Article 30.1.30.1.4. The CONTRACTOR shall have the obligation to present a report to the GOVERNMENT setting forth the reasons for the delay and the proposed steps the CONTRACTOR is taking and will take to effect a cure of the production problems. The GOVERNMENT shall meet with the CONTRACTOR to review and discuss such report, including any additional presentations on the issues at the Parties deem useful, with a view that the GOVERNMENT will determine in good faith whether or not the Production Commencement Date or the production at seventy-five percent (75%) of Facilities Design Capacity, as relevant, is likely to occur and, if so within what time frame.

30.5. Termination in the Event the Effective Date Does Not Occur: If the Effective Date does not occur within six (6) months after the Signature Date, then either Party may terminate this Agreement with immediate effect by issuing a notice to the other Party, unless the Parties agree to an extension. If this Agreement is terminated pursuant to this Article 30.5, and no claim has arisen under a guarantee, all guarantees delivered by the CONTRACTOR to the GOVERNMENT shall be immediately cancelled and neither Party shall have any further claims against the other Party in respect of such termination.

30.6. Termination in the Event Contract Location Not Determined or Development Plan Not Agreed: If the Contract Location has not been determined, or if the Parties have failed to agree on the Development Plan, by the deadline stated in and otherwise in accordance with Articles 5.3 and 8 respectively, then either Party may terminate this Agreement with immediate effect by issuing a notice to the other Party, unless the Parties agree to an extension. If this Agreement is terminated pursuant to this Article 30.6, and no claim has arisen under a guarantee, all guarantees delivered by the CONTRACTOR to the GOVERNMENT shall be immediately cancelled and neither Party shall have any further claims against the other Party in respect of such termination.

30.7. Survival of Rights: Any termination or expiry of this Agreement shall be without prejudice to any rights, remedies, obligations and liabilities that may have accrued to either Party at that time pursuant to this Agreement. All rights or remedies which may have accrued to the benefit of either Party (and any of this Agreement’s provisions necessary for the exercise of such accrued rights or remedies) prior to the termination or expiry of this Agreement shall survive such termination but in no event shall either Party incur any liability after termination or expiry of this Agreement. Notwithstanding any other provision of this Agreement, title to the Project Property shall on termination or expiry vest automatically in the GOVERNMENT without any payment or compensation therefor.

31. ABANDONMENT OF FACILITIES

31.1 Abandonment Obligation: The CONTRACTOR shall have the obligation to comply with the requirements of the Environmental Law. The CONTRACTOR shall be liable for the costs and expenses of abandoning the Facilities and restoring the site locations of such Facilities (Abandonment) in accordance, with the Abandonment Plan.
31.2 Initial Abandonment Plan CONTRACTOR shall submit an initial Abandonment Plan as a part of the Development Plan. Such initial Abandonment Plan shall include preliminary abandonment and restoration plans and the estimated costs thereof.

31.3 Permanent Abandonment Plan. CONTRACTOR shall submit a permanent Abandonment Plan (Permanent Abandonment Plan) to the Management Committee for approval upon the first to occur of the following:

(a) the R factor is greater than or equal to one (R=1) for two consecutive quarters; or

(b) the discounted net value of CONTRACTOR’s estimated Entitlement for the remaining term of the Agreement is 250% of the estimated Abandonment costs in the initial Abandonment Plan where CONTRACTOR’s discounted net value is determined by applying a discount factor equal to LIBOR on the first day of the third quarter of each calendar year.

7 See attached paper discussing abandonment issues and options. Pursuant to Articles 6, 20 & 34 of the newly promulgated Law referenced in Article 31.1 abandonment must be addressed in all future DPSAs.
Such Abandonment Plan shall provide for abandonment of all the Facilities and, if required, restoration of the Contract Location and/or any Onshore Sites used by the Facilities. Such Abandonment Plan shall comply with the requirements of Law Number (XXXX) and Internationally Accepted Petroleum Industry Practices.

31.4 Approval of Permanent Abandonment Plan. The Management Committee shall meet within 90 days after CONTRACTOR submits the Permanent Abandonment Plan to review, to modify, if required, and to approve the proposed Permanent Abandonment Plan.

31.5 Abandonment Subcommittee. If it has not already done so, at the time of approving the Permanent Abandonment Plan the Management Committee shall establish an Abandonment subcommittee to monitor technical and fiscal issues regarding the Permanent Abandonment Plan and to report as required by the Management Committee, but no less frequently than annually. The Abandonment subcommittee shall include in its reports to the Management Committee an updated status of the Abandonment Fund and an updated status of the Permanent Abandonment Plan, including any proposed modifications to meet current International Petroleum Industry Practices and/or Qatari Laws, rules or regulations.

31.6 Abandonment Fund. [OPTION #1] In the quarter following the Management Committee’s approval of the Permanent Abandonment Plan the CONTRACTOR and QP shall establish an interest bearing account to receive funds to cover the Abandonment costs of the Permanent Abandonment Plan. CONTRACTOR shall fund the Abandonment Fund by making cash deposits into such account within thirty days after the close of each quarter. Such deposits shall be made on a unit of production basis determined by dividing the current quarter’s Net Petroleum Production by the estimated Net Petroleum Production for the remainder of the Term of the Agreement and multiplying that figure by the Abandonment costs discounted net present value with a discount factor of LIBOR on the first day of each relevant calendar quarter and taking into account the interest earned on the Abandonment fund.

31.7 Abandonment Security. [OPTION #2] CONTRACTOR shall provide acceptable Abandonment security to QP in the form of a parent company guarantee or a third party guarantee. Such guarantee shall provide that the CONTRACTOR and QP shall establish an Abandonment fund and the CONTRACTOR shall fully fund such Abandonment fund no later than 180 days prior to the termination of this Agreement. Such guarantee shall further provide that, in the event the CONTRACTOR does not timely fund the Abandonment fund then the Guarantor shall do so within thirty days following notice of such funding failure, in whole or in part, from QP.
32. **FORCE MAJEURE**

32.1. **Non-Performance:** If any Party is affected by an event of Force Majeure and is consequently delayed or prevented from performing any of its obligations under this Agreement by such event of Force Majeure, the obligations of the affected Party (other than an obligation to make payments when due) shall be suspended and the affected Party shall not be liable to the other Party with regard to any such delay or failure to perform, provided that such affected Party has exercised reasonable care and diligence to prevent or avoid the consequences of the event of Force Majeure on its ability to perform its obligations in a timely manner.

32.2. **Notice:** Upon the occurrence of an event of Force Majeure that delays or prevents a Party from performing any of its obligations under this Agreement in a timely manner, the affected Party shall give notice of the event of Force Majeure to the other Party, together with an explanation of the reason for the delay or failure to perform its obligation stating the date, extent and cause thereof.

32.3. **Mitigation:** In the event of a Party giving notice of an event of Force Majeure in accordance with Article 32.2, the Parties shall use all reasonable efforts to mitigate and overcome the effect of Force Majeure or eliminate the cause for the delay or failure to perform, without delay, including the following:

32.3.1. with respect to the CONTRACTOR only, in the case of casualty losses, promptly and diligently commence and continue to pursue repair and/or reconstruction of affected facilities;

32.3.2. where the event of the Majeure is primarily affecting third parties, promptly and diligently meet and consult with such third parties on the pursuit of appropriate actions to mitigate the effects of the event of Force Majeure and, if necessary and appropriate, promptly and diligently commence and continue to pursue contractual and legal remedies against such third parties;

32.3.3. in all cases, in consultation with the other Party, promptly and diligently commence and continue to pursue all available options to mitigate the economic effect of such event of Force Majeure.

32.4. **Consequences:** Subject to Article 32.7, if an event of Force Majeure delays or prevents the performance by a Party of any of its obligations under this Agreement, then the period of time of such delay or prevention, together with the period of time which may be necessary for the restoration of any damage caused by the event of Force Majeure, which damage gives rise to or causes the continuance of such delay or prevention, and any period of time reasonably necessary for the Party to re-commence its efforts to perform the obligation in question shall be added to all time periods set forth under this Agreement for the performance of the obligation in question, and the term of this Agreement shall be extended for a like period.
32.5. Government Orders: The GOVERNMENT and QP shall not be relieved of any obligations hereunder as a result of any Government Order of the State of Qatar. The CONTRACTOR shall not be relieved of any obligations hereunder as a result of any other Government Order.

32.6. Strikes: The settlement of any strike, lockout or other labour disturbance shall be left to the discretion of the Party employing or otherwise engaging the personnel, and the lack of settlement of such strikes or labour disturbance shall be deemed a matter beyond the reasonable control of the Party for the purpose of this Agreement.

32.7. Termination: Either Party may, by notice to the other Party, terminate this Agreement if an event of Force Majeure exists for a continuous period exceeding twenty-four (24) months, provided that:

32.7.1. the event of Force Majeure delays or prevents the performance of either (i) the whole of the obligations under this Agreement of the Party giving notice of Force Majeure, or (ii) a part of the obligations under this Agreement of the Party giving notice of Force Majeure and the delay or prevention of that part of the obligation has a material and adverse effect on the other Party; and

32.7.2. the Party giving notice of Force Majeure has either failed or is not continuing to:

(a) use all reasonable efforts to mitigate and overcome the effect of the Force Majeure event (including as set out in Article 32.3); or

(b) diligently implement any plan agreed between the Parties to overcome the Force Majeure event.

32.8. Rights on Termination: Termination of this Agreement pursuant to Article 32.7 shall not affect the rights, remedies, obligations or liabilities on the part of either Party in respect of any breach of this Agreement occurring prior to termination, but shall otherwise be without liability to either Party and, notwithstanding any other provision of this Agreement, title to the Project Property shall on termination vest automatically in the GOVERNMENT without any payment or compensation therefor.

33. GOVERNING LAW

33.1. Governing Law: This Agreement shall be governed by and interpreted in accordance with the laws of the State of Qatar. In the event that the substantive laws of the State of Qatar do not address a particular issue or point that is in dispute between the Parties, or they expressly refer to the laws of jurisdictions other than the State of Qatar, the laws of England and Wales shall be used to resolve the issue. In all cases of conflict between the laws of the State of Qatar and the laws of England and Wales, however, the laws of the State of Qatar shall prevail.

34. DISPUTE RESOLUTION
34.1. Negotiations: The Parties shall in good faith and with a spirit of cooperation use all reasonable efforts to settle amicably any dispute that arises out of or relates to this Agreement or the breach, termination or validity thereof through constructive discussions and negotiations. Where despite such good faith efforts, the Parties are unable to resolve a dispute within thirty (30) days after any Party's notice of a dispute, either Party may after meeting with and securing consent from the other Party refer any such dispute to one or more Experts for non-binding resolution. The Parties shall use best endeavours to agree within twelve (12) months of the Effective Date, or within such longer period as the Parties may agree, on mutually acceptable procedures for the selection of an Expert (“Expert Procedure”).

34.2. Binding Expert: Where despite good faith efforts, the Parties are unable to resolve a dispute within thirty (30) days after any Party’s notice of a dispute, either Party may after meeting with and securing consent from the other Party refer any such dispute to one or more Experts for binding resolution (as provided in Article 20.11). The procedure for the selection of Experts is out in the Expert Procedure.

34.3. Arbitration: If, notwithstanding the Provisions of Article 34.1, a Party considers that a dispute cannot be settled amicably and/or by reference to Experts, it may give notice to the other Party to commence arbitration proceedings in accordance with this Agreement. Upon such notice the dispute shall be finally settled by arbitration in accordance with the United Nations Commission on International Table Law (“UNCITRAL”) Arbitration Rules then in effect except as modified by the provisions of Article 34. The arbitrators shall allocate costs of arbitration.

34.4. Appointment of Arbitrators: The number of arbitrators shall be three (3). The London Court of International Arbitration shall be the appointing authority (“Appointing Authority”). The Appointing Authority shall appoint the arbitration tribunal within sixty (60) days after a written request to such effect by any of the Parties in accordance with this Agreement. The decision of the arbitrators shall be rendered in writing and delivered to, and shall be final and binding upon, each of the Parties.

34.5. Place of Arbitration, Subject to the Laws of the State of Qatar: The arbitration shall take place in London, England, unless the Parties agree upon another location, and the laws of the State of Qatar shall apply to the arbitration and the enforcement of any award.

34.6. English Language: All arbitrators shall be fluent in the English language and the arbitration shall be conducted in the English language.

34.7. Strict Construction: The arbitration tribunal shall decide all questions and settle all disputes strictly in accordance with the provisions of this Agreement and, in particular, the governing law of this Agreement as set out in Article 33.1.
34.8. Term of Office: The mandate of the arbitrators shall continue until registration of the decision and any award of the arbitration tribunal.

34.9. Award to be Final and Binding: The decision and any award of the arbitration tribunal shall be final and binding upon the Parties, and each Party shall comply with and give full effect to any such award in a timely manner.

34.10. No Appeal: The Parties shall not have the right to appeal the decision and any award of the arbitration tribunal to any court that would otherwise have jurisdiction in any matter arising in the course of the arbitration or out of the decision and any award. However, any Party may make an application to any court having jurisdiction for registration of the decision and any award, for judgment on the decision and any award to be entered and/or for enforcement of any award, including enforcement of any award granting interlocutory relief against any Party and for the obtaining of any evidence (whether by discovery of documents, interrogatories, affidavits or testimony of witnesses) which the arbitration tribunal may direct be obtained as part of the arbitration proceedings.

34.11. Alternative Forum: Notwithstanding the provisions of Article 34, any dispute may be referred for settlement to an alternative forum such as an independent mediator or the courts of the State of Qatar if the Parties can agree within thirty (30) days after the notice of arbitration that such alternative forum is more appropriate to the circumstances of the particular dispute.

34.12. Confidentiality: Subject to all legal requirements which may be imposed on either Party, the Parties undertake to keep confidential the contents of the arbitration proceedings and the decision and any award of the arbitration tribunal in accordance with Article 38, except to the extent necessary for enforcement of any such award.

35. LIABILITIES

35.1. Liability to Third Parties: The CONTRACTOR shall indemnify, hold harmless and defend the GOVERNMENT, its Wholly Owned Affiliates and their respective personnel from and against all Claims resulting from injury, sickness, death, loss or damage suffered by an Affiliate or any third party howsoever caused arising out of or related to the conduct of Petroleum Operations by the CONTRACTOR, the Operator or their respective Affiliates, contractors and personnel and/or the performance of the CONTRACTOR’S obligations under this Agreement, except to the extent that Claims are directly attributable in whole or in part to the Gross Negligence or Willful Misconduct of the GOVERNMENT, QP or any of their Wholly Owned Affiliates or their respective personnel.

35.2. Personnel: Each Party shall be responsible for and shall indemnify, hold harmless and defend the other Party, its Wholly Owned Affiliates, contractors and their respective personnel from and against all Claims resulting from injury, sickness, death, loss or damage suffered by the personnel of such Party and its Wholly Owned Affiliates, contractors and their respective personnel, howsoever caused arising out of or related to the CONTRACTOR’S conduct of Petroleum Operations and/or the performance of such Party’s obligations under this Agreement, except to the extent that Claims are directly attributable in whole or in part to the Gross Negligence or Willful Misconduct of such other Party, its Wholly Owned Affiliates, contractors or their respective personnel.

35.3. GOVERNMENT Property: Except as otherwise provided in this Agreement, the CONTRACTOR shall be responsible and liable for any loss of or damage to property of the GOVERNMENT, its Wholly Owned Affiliates, contractors and their respective personnel to the
extent that such loss or damage is due to the CONTRACTOR’S negligence in its conduct of the Petroleum Operations and/or the performance of its obligations under this Agreement, except to the extent that any related Claims are directly attributable in whole or in part to the Gross Negligence or Willful Misconduct of the GOVERNMENT, QP or any of their Wholly Owned Affiliates, contractors or their respective personnel.

35.4. Consequential Damages: Without prejudice to any compensation, if any, due from the GOVERNMENT pursuant to Article 39.12 and the rights of the CONTRACTOR to compensation in the event of an expropriation or nationalisation, neither the GOVERNMENT nor the CONTRACTOR under any circumstances shall be liable for indirect special or consequential, or punitive damages including loss of use, loss, profits, loss of interest, cost of delays or loss or damages resulting from delay, inability to produce Petroleum, lost production or loss of or delay in production of Petroleum.

35.5. GOVERNMENT Operation: The CONTRACTOR shall not be responsible nor liable in any way for losses or damage caused, directly or indirectly, through operations performed by the GOVERNMENT, its Wholly Owned Affiliates and their respective personnel and the GOVERNMENT shall be responsible for and shall indemnify, hold harmless and defend the CONTRACTOR, its Affiliates, contractors and their respective personnel from and against all Claims resulting from such operations except if and to the extent directly attributable to the negligence of, or breach of this Agreement by, the CONTRACTOR, its Wholly Owned Affiliates and their personnel.

35.6. Infringement of Patent or Copyright:

35.6.1 The CONTRACTOR shall indemnify, hold harmless and defend QP and the GOVERNMENT from and against all Claims resulting from an alleged or actual infringement or breach by the CONTRACTOR, its Affiliates, contractors, sub-contractors and/or their respective personnel of patent, copyright, intellectual property or other proprietary rights and/or confidentiality obligations howsoever caused arising out of or related to the conduct of the Petroleum Operations and/or the performance of obligations under this Agreement.

35.6.2 Without limiting the foregoing, CONTRACTOR shall undertake the defence of any suit or action against a Party claiming a violation or infringement of patents, trademarks or trade secrets relating to the GTL technology and/or processes (“Infringement”). The named Party shall render all reasonable assistance to CONTRACTOR in the defence of the Infringement. The named Party shall be responsible for the salaries of its personnel providing such assistance. CONTRACTOR shall reimburse the named Party for the travel and living expenses of such personnel who are away from their normal work location to provide such assistance.

35.6.3 CONTRACTOR will hold QP and/or the GOVERNMENT free and harmless from any damages or other sums that may be assessed in or become payable under any final decree or final judgement by any court for the Infringement to the extent based upon the use hereunder.

35.6.4 CONTRACTOR shall not settle or compromise any such suit or action without the consent of QP or the GOVERNMENT if the settlement or compromise obligates QP or the GOVERNMENT to make any payment or part with any property or assume any obligation or grant any license or other rights or be subject to any injunction by reason of such settlement or compromise, notwithstanding CONTRACTOR’s indemnity herein of QP or the GOVERNMENT for any such obligation.
35.6.5 In the event it is determined that CONTRACTOR was not liable for an Infringement then the costs of defending against such Infringement shall be allowed as Petroleum Costs, otherwise such costs shall not be a part of Petroleum Costs.

35.7. CONTRACTOR’S Petroleum Costs: The CONTRACTOR shall indemnify, save and hold harmless and defend the GOVERNMENT and QP from all Claims resulting from the CONTRACTOR’S failure to pay the costs referred to in Article 3.5 promptly when due.

35.8. Petroleum Following Delivery: The CONTRACTOR and the GOVERNMENT shall each be responsible for and shall indemnify, hold harmless and defend the other Party, its Wholly Owned Affiliates and their respective personnel from and against all Claims resulting from injury, sickness, death, loss or damage suffered by any third party howsoever caused arising out of or related to the handling and disposal of the Party’s Entitlement after delivery to the Party at the relevant Delivery Point, including all environmental damage, product losses and sales contract disputes.

35.9. Indemnification Procedures:

35.9.1. If a Party (“Indemnified Party”) wishes to make a claim for indemnification against the other Party (“Indemnifying Party”) pursuant to Articles 35.6 through 35.9, inclusive, it shall serve notice of its claim (an “Indemnifiable Claim”) in writing to the Indemnifying Party specifying in reasonable detail in view of the circumstances then existing the nature thereof and the amount of the same.

35.9.2. The Indemnifying Party shall be entitled to select, jointly with the Indemnified Party, counsel reasonably satisfactory to both to act in defence of the Indemnified Party at the Indemnifying Party’s expense and may determine the strategy of such defence, provided, however, that the Indemnified Party shall be entitled to have joint control over the defence or settlement of any Indemnifiable Claim to the extent such Indemnifiable Claim seeks an order, injunction or relief against the Indemnified Party which, if successful, could materially interfere with the business, operations, assets, condition (financial or otherwise) or prospects of the Indemnified Party. If the Indemnifying Party does not exercise its right to appoint counsel jointly with the Indemnified Party, the Indemnified Party shall appoint such counsel and shall determine the strategy of the defence in its sole discretion.

35.9.3. At the request of the Indemnifying Party, the Indemnified Party shall enter into a settlement of an Indemnifiable Claim or shall cease to defend against such Indemnifiable Claim if: (i) the Indemnifying Party undertakes to pay the settlement and all costs attached thereto; (ii) the settlement or cessation of defence or consent to entry of any judgement does not result in injunctive or other relief for claimant which could materially interfere with the business, operations, assets, condition (financial or otherwise) or prospects of the Indemnified Party; and (iii) the settlement or consent to the entry of any judgement does not imply admission of criminal offences by the Indemnified Party.

35.9.4. The failure of an Indemnified Party to give any notice required by Article 35.9 shall not affect any of such Party’s rights to be indemnified except to the extent such failure is actually and materially prejudicial to the rights or obligations of the Indemnifying Party. The exercise by the Indemnifying Party of its rights to participate in the defence of the Indemnifiable Claim shall be without prejudice to the rights of the Indemnifying Party to give a notice of arbitration to the Indemnified Party pursuant this Agreement submitting to arbitration the question of whether such Indemnifiable Claim is properly the object of an obligation of indemnity of such Indemnifying Party under this Agreement. If such
Indemnifiable Claim is finally determined by arbitration to be the object of an obligation of indemnity of the Indemnifying Party under Article 35.9, the Indemnifying Party shall be liable for such Indemnifiable Claim and all reasonable costs incurred by the Indemnified Party as a result thereof, regardless of which Party conducted the defence. If such Indemnifiable Claim is finally determined by arbitration not to be the object of an obligation of indemnity of the Indemnifying Party under Article 35.9, the Indemnified Party shall be liable for such Indemnifiable Claim and shall reimburse to the Indemnifying Party all reasonable costs incurred by the Indemnifying Party as a result thereof, regardless of which Party conducted the defence.

36. OFFICE AND NOTICES
36.1. Office in Qatar: The CONTRACTOR shall maintain an office in Doha, State of Qatar for the conduct of the Petroleum Operations in charge of the General Manager who shall be empowered to receive any notices to be given under the provisions of Article 36.

36.2. Notices in Writing: All notices, requests, directions, approvals, consents, reports, statements or other communications to be given from one Party to the other Party under this Agreement, including for greater certainty the notice from the GOVERNMENT to the CONTRACTOR stating the date on which the Emiri Decree approving this Agreement has become effective, shall be made in writing and in the English language, and shall be delivered by hand at, or sent by fax to, the relevant address of the other Party as specified or as changed in accordance with Article 36.3 or by such other means as the Parties may agree upon. The addressee of any notice given hereunder shall, immediately upon receipt thereof, acknowledge such receipt by fax whenever requested to do so by the sender. Notices are deemed to have been received by the addressee as follows:

36.2.1. at the time of receipt if delivered by hand; or

36.2.2. on the first business day next following the day of sending the notice if sent by fax.

36.3. Addresses: Any notices hereunder, as well as any studies, reports, statements, all other documents and communications issued from the CONTRACTOR to the GOVERNMENT or vice versa shall be delivered at or sent to the following addresses, or to such other address as a Party may from time to time specify in a notice to the other Party:

If to the GOVERNMENT:

Attention: Director, Oil & Gas Ventures
Qatar Petroleum
Westbay Q Building
P.O. Box 3212
Doha, State of Qatar
Telephone: (974) 4831-209
Facsimile: (974) 4831-850

If to CONTRACTOR or the Operator:

“A” International Oil Company (Qatar) Limited
Attention: The Managing Director
ABC Building, Suite #123
Doha, State of Qatar
Telephone: (974) 412-3000
Facsimile: (974) 412-4000
37. RESTRICTIONS ON PETROLEUM OPERATIONS

37.1. Physical Limits on Petroleum Operations: The CONTRACTOR shall keep the GOVERNMENT, through QP, fully informed as to the specific areas from time to time for the conduct of the Petroleum Operations. The CONTRACTOR shall be free to conduct the Petroleum Operations within the boundaries of the Contract Location and elsewhere as provided in this Agreement except that, if there has been an expansion of the Contract Location in accordance with Article 5.5 and the GOVERNMENT has reason to believe that activities in a specific area of the expanded Contract Location will result in a dispute over a boundary line with a neighbouring state or states, the GOVERNMENT may set limits on the conduct of the Petroleum Operations within that specific area of the Contract Location provided that:

37.1.1. the GOVERNMENT can only set limits if and to the extent that similar limitations are laid down for the operations of other contractors working under similar circumstances in the same vicinity as the Contract Location, and

37.1.2. the GOVERNMENT shall immediately notify the CONTRACTOR of such limits stating the reason therefor and the duration thereof estimated by the GOVERNMENT.

37.2. End of Restrictions: When the reason for setting the restrictions on the operating area no longer exists, such limits shall be lifted by the GOVERNMENT by notice thereof to the CONTRACTOR, and the CONTRACTOR shall again be allowed to carry out the Petroleum Operations throughout the Contract Location provided that the CONTRACTOR shall fulfil or continue to fulfil any suspended work obligations.

37.3. Force Majeure: If the GOVERNMENT should set limits on the area of operations within the Contract Location pursuant to Article 37.1, the CONTRACTOR shall have full recourse to the provisions of Force Majeure in Article 30.7, and any restrictions on the area of operations within the Contract Location materially affecting the conduct of the Petroleum Operations set by the GOVERNMENT may be regarded by the CONTRACTOR as an event of Force Majeure.
38. CONFIDENTIALITY AND ANNOUNCEMENTS
38.1. Confidentiality: Subject to Article 38.2, this Agreement, all aspects of the Project as well as all Data acquired, developed, received or otherwise obtained pursuant to this Agreement and the nature and extent of the Petroleum Operations, is deemed strictly confidential, and accordingly shall not be disclosed by CONTRACTOR without the prior consent of QP (such consent not to be unreasonably withheld or delayed); provided that such consent shall not be required to the extent:

38.1.1. such disclosure is required by law or stock exchange rules applicable to a Party (or for greater certainty any of the Companies);

38.1.2. such disclosure is made in the course of the conduct of the Petroleum Operations to a Party’s (including for greater certainty any of the Companies) Affiliates, contractors, consultants, agents, and their respective personnel provided that in the case of contractors, consultants or agents the Party first receives a written undertaking of confidentiality from each entity prior to disclosure consistent with the terms of this Agreement;

38.1.3. such disclosure is made to prospective bona fide assignees or financial institutions or agencies or their advisors of a Party (including for greater certainty any of the Companies) and their respective personnel, provided that the Party first receives a written undertaking of confidentiality from each entity other than the personnel prior to disclosure consistent with the terms of this Agreement;

38.1.4. such disclosure is retired in any arbitration, legal or other dispute resolution proceedings. Notwithstanding the foregoing, any disclosure in an arbitration, legal or other dispute resolution proceeding shall remain fully confidential and shall not result in such confidential information losing its confidential status, including under Article 38.2.

38.2. Exclusion to Confidential Information: Information shall not be considered confidential and may be freely disclosed if and to the extent a Party can demonstrate specific information was at the time in question:

38.2.1. already legally in the Party’s possession independent of disclosure by the other Party and without any obligation of confidentiality; or

38.2.2. already known to the public through no fault of the Party.

38.3. Personnel: Subject to the other provisions of Article 38, each Party shall be responsible for any wrongful disclosure of confidential information by its personnel and the personnel of its Affiliates and contractors. Each Party shall ensure that confidential information is released only to its personnel who need to know for the purposes of the Project or Petroleum Operations, and that such personnel are fully aware of the confidentiality obligations in this Agreement.

38.4. Public Announcements: CONTRACTOR shall not make any public announcement or issue any news or press release relating to the Project, this Agreement or the conduct of the Petroleum Operations without the prior consent of QP, except in the event of an emergency or as required by an applicable stock exchange. Should an emergency occur, CONTRACTOR may release immediate releases but shall coordinate with QP to the extent practicable. If CONTRACTOR intends to make a public announcement or issue a news or press release, it shall give QP at least seven (7) days notice and within such seven (7) days QP may require
changes to the announcement or release which the CONTRACTOR shall incorporate into such announcement or release.

38.5. Stock Exchange Disclosures: Notwithstanding Articles 38.1.1 and 38.4, if the CONTRACTOR proposes to disclose Confidential Information and/or make a public announcement required by an applicable stock exchange, it shall first provide a copy of such proposed disclosure to the GOVERNMENT for its review.

38.6. Survival of Obligations of Confidentiality: The obligations of confidentiality set out in Article 38 shall survive the termination or expiry of this Agreement and continue thereafter for a period of twenty-four (24) months. Notwithstanding the foregoing, in the event this Agreement is terminated prior to the completion of the full term thereof as set forth in Article 4, then the period, for which the obligations of confidentiality as they relate to proprietary GTL processes, shall be the time period set forth in Article 38, plus twenty four months.

39. MISCELLANEOUS PROVISIONS

39.1. Language: Any and all documents required under or resulting from or necessary to implement this Agreement or with regard to the Petroleum Operations shall be prepared, interpreted, executed and delivered in the English language.

39.2. No waiver: No Party shall be deemed to have waived, released or otherwise modified any of its rights hereunder unless such Party has expressly stated its intention to do so in a written instrument duly executed by such Party, and any such instrument shall relate only to such matter to which it expressly refers, and therefore shall not apply to any subsequent or other matter.

39.3. Amendments: Any amendments or additions to this Agreement shall only be valid if made in writing and executed by the duly authorised representatives of the Parties.

39.4. References: References to Articles and Appendices are to the Articles and Appendices of this Agreement. In case of conflict between any provision contained in the body of this Agreement and any provision contained in the Appendices, the Parties shall endeavour in the first instance to resolve the conflict by reading the Articles and Appendices as a whole, and the provision which is more relevant to the subject matter in question shall govern, failing which the provisions contained in the Articles shall govern.

39.5. Headings: The descriptive headings of the Articles and the Appendices to this Agreement, as well as the Cover Page and Table of Contents of this Agreement, are included for the convenience of reference only and shall not be used in any way in construing or interpreting any of the provisions of this Agreement.

39.6. Entire Agreement: This Agreement supersedes and replaces all oral and/or written communications and covenants heretofore made between the Parties with respect to the subject matter hereof, and accordingly contains and constitutes the entire agreement of the Parties with respect to the subject matter hereof.

39.7. Observance of Laws: The rights and obligations of the GOVERNMENT and the CONTRACTOR under this Agreement shall be exercised in a lawful manner, subject to the laws and regulations of the State of Qatar, and subject to the provisions of this Agreement.
39.8. Time: In this Agreement, all measurements of time shall be fixed and computed pursuant to the Gregorian Calendar in the State of Qatar, and time shall be of the essence.

39.9. Flag: The CONTRACTOR shall fly the flag of the State of Qatar for the conduct of all Petroleum Operations within the State of Qatar, including within its territorial waters.

39.10. Joint and Several Liability: The Parties recognise and agree that the obligations of the Companies shall be joint and several.

39.11. No Third Party Beneficiaries: Unless otherwise expressly stated to the contrary in this Agreement, nothing in this Agreement, express or implied, is intended to create or confer upon any person (other than the Parties and their respective successors and permitted assigns) any rights, remedies, third party status or obligations, beneficiary status or liabilities under or by reason of this Agreement.

39.12. GOVERNMENT Support; The GOVERNMENT confirms its support of the Project and agrees that if it adopts any discriminatory Government Order including the adoption, enactment, issuance, promulgation, publication (where publication either immediately or after the passage of time gives legal effect) or amendments, of any act, order, statute, law, decree, directive, rule or regulation limited in application to the Project or the Petroleum Operations that has or is likely to have a material adverse effect on the economic benefits to be derived therefrom by the CONTRACTOR, then the GOVERNMENT will take all steps necessary to restore the economic benefits contemplated to be enjoyed by CONTRACTOR under this Agreement. Notwithstanding the generality of the forgoing, this provision will not apply if the Government Order:
39.12.1. has been induced by, and is a reasonable response to, a breach or lack of compliance by the CONTRACTOR with any provision of this Agreement; or

39.12.2. has been enacted by the GOVERNMENT with the intent of protecting health, safety, the environment or security.

39.13. Ethics: The Parties agree and undertake, on behalf of themselves, their Affiliates, contractors, and their respective personnel to act at all times in a manner which is consistent with the highest ethical standards. Each Company warrants that it has not made or offered and will not make or offer with respect to the matters which are the subject of this Agreement, any payment, gift, promise or other advantage, whether directly or through intermediaries, to or for the use of any public; official (i.e. any person holding a legislative, administrative or judicial office, including any person exercising a public function for a public agency, a public enterprise or a public international organisation, where such payment, gift, promise or advantage would violate the applicable laws of the State of Qatar or the laws of the country of incorporation of such Company, and the principle described in the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on 17 December 1997.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the Signature Date.

GOVERNMENT OF THE STATE OF QATAR

__________________________________________
By: Abdulla Bin Hamad Al-Attiyah
Minister of Energy and Industry

“A” International Oil Company (Qatar) Limited

__________________________________________
By:

“B” International Oil Company

__________________________________________
By:

APPENDIX “A”

CONTRACT LOCATION

The Contract Location is an area, inclusive of a buffer zone comprising a perimeter of 1 km (within which no drilling for production or development shall occur), within the area marked ABCD as shown in Figure 1. The precise coordinates of the Contract Location are to be determined by the Parties in accordance with Article 5.3.

Figure 1
[QP map to be inserted]

APPENDIX “B”
The Contract Reservoirs comprise Khuff-1 (K₁), Khuff-2 (K₂), Khuff-3 (K₃) and Khuff-4 (K₄) reservoirs, which represent the uppermost part of the Permo-Triassic Formation within the Contract Location in the North Field.

The K₁, K₂, K₃ and K₄ reservoirs are composed mainly of moldic limestone and dolostone rocks separated by tight-rock intervals and/or anhydrite zones.
GOVERNMENT PROVIDED UTILITIES

1. Electric Power; and
2. Cooling Seawater Supply and Outflow.
3. firewater backup;
4. desalinated water supply;
5. solid waste (non-Hazardous Waste) disposal;
6. fire fighting facilities;
7. agricultural or irrigation water export;
8. common culvert for storm water drainage; and
9. construction labour camp.