

Date: 19 September 2017

Aurelian Oil & Gas Poland Sp. z o.o.

as Seller

Horizon Petroleum Limited

as Buyer

Energia Karpaty Zachodnie Sp. z o.o.

as General Partner

**Energia Karpaty Zachodnie spółka z ograniczoną
odpowiedzialnością Sp. K.**

as the Partnership

Share Purchase Agreement

in respect of the purchase of the entire issued share capital of
Energia Karpaty Zachodnie Sp. z o.o. and rights and obligations of
Aurelian Oil & Gas Poland sp. z o.o. as limited partner
(komandytariusz) in Energia Karpaty Zachodnie spółka z
ograniczoną odpowiedzialnością Sp. K.

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Data Room

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THIS AGREEMENT is entered into on 19 day of September 2017

BETWEEN

- (1) **AURELIAN OIL & GAS POLAND SP. Z O.O.**, with corporate seat in Warsaw, address at ul. Moniuszki 1A, 00-014 Warszawa ul. Moniuszki 1A, 00-014 Warsaw, Poland, entered into register of entrepreneurs of the National Court Register under KRS no [REDACTED], having tax identification number (NIP) [REDACTED] and statistical number (REGON) [REDACTED], with a share capital of PLN 50,000, fully paid up, represented by Oisín Fanning (the "Seller");
- (2) **HORIZON PETROLEUM LIMITED**, with its registered office at Suite 1500, 700 - 4th Avenue SW, Calgary, Alberta, T2P 3J4, Canada (the "Buyer");
- (3) **ENERGIA KARPATY ZACHODNIE SP. Z O.O.**, with corporate seat in Warsaw, address at ul. Moniuszki 1A, 00-014 Warszawa ul. Moniuszki 1A, 00-014 Warsaw, Poland, entered into register of entrepreneurs of the National Court Register under KRS no [REDACTED], having tax identification number (NIP) 1070009998 and statistical number (REGON) [REDACTED], with a share capital of PLN [REDACTED], fully paid up, represented by Oisín Fanning (the "General Partner"); and
- (4) **ENERGIA KARPATY ZACHODNIE SP. Z O.O. SP. K.**, with an address at ul. Moniuszki 1A, 00-014 Warszawa ul. Moniuszki 1A, 00-014 Warszawa, Poland, entered into register of entrepreneurs of the National Court Register under KRS no [REDACTED], having tax identification number (NIP) [REDACTED] and statistical number (REGON) [REDACTED], represented by Oisín Fanning (the "Partnership");

each a "Party" and together the "Parties".

Background

- (A) The Seller is the sole limited partner (*komandytariusz*) in the Partnership and holds 100% of shares in the share capital of the General Partner. The General Partner is the sole general partner (*komplementariusz*) in the Partnership.
- (B) The General Partner has an issued share capital of PLN [REDACTED], divided into [REDACTED] shares, each of the nominal value of PLN [REDACTED] (the "GP Shares").
- (C) The Partnership holds a 100% interest in the Concessions (as defined below) which are located in Poland and has concluded the Mining Usufruct (as defined below) which correspond to the Concessions.
- (D) The Seller has agreed to sell and the Buyer has agreed to buy the GP Shares subject to the terms and conditions of this Agreement.
- (E) Subject to the terms and conditions of this Agreement, the Seller has agreed to sell and the Buyer has agreed to acquire all the rights and obligations of the Seller as limited partner of the Partnership (*udział spółkowy*), as set out in the Articles of Association (as defined below) (the "LP Interest").

IT IS AGREED as follows:

1. Definitions and interpretation

1.1 In this Agreement:

"Accounts" means the unaudited balance sheet, profit and loss account and cash flow statement of the General Partner and the Partnership in respect of the accounting period ending on the Accounts Date, including all notes to such statements;

"Accounts Date" means 31 December 2016;

"Affiliate" means in relation to a Party: (i) if the Party is a subsidiary of another company the Party's ultimate holding company and any subsidiary (other than the party itself) of the Party's ultimate holding company; or (ii) if the Party is not a subsidiary of another company, any subsidiary of a Party;

"Agreement" means this agreement, collectively with its schedules and exhibits, as may be amended, restated, supplemented and/or superseded from time to time by the Parties;

"Announcement" has the meaning set out in Clause 15.6;

"**Loan Agreements**" means:

- (a) the loan agreement between the General Partner and [REDACTED], dated 22 November 2012; and
- (b) the loan agreement between the Partnership and [REDACTED], dated 22 November 2012;

"Articles of Association" means the Articles of Association of the Partnership, adopted on 11 February 2009 in a notarial deed drawn up by Wojciech Szczypkowski, notary public in Warsaw, file no. 1797/2009, as amended on 29 December 2011 by notarial deed drawn up by the same notary, file number 19080/2011;

"Bielsko-Biala Concession" means the concession for exploration and prospecting crude oil and natural gas in "Bielsko-Biala" area no 32/2009/p issued to the Seller by the Ministry on 4 May 2009, which was transferred to the Partnership on 28 September 2009 and as amended on 10 April 2012, 29 November 2012 and 30 April 2014;

"Bielsko-Biala Mining Usufruct Agreement" means the agreement for mining usufruct (*umowa użytkowania górniczego*) dated 4 May 2009, between the State Treasury and the Seller, which was transferred to the Partnership on 28 August 2009 and as amended on 30 April 2014 and 5 April 2016;

"Budget" means a budget of payments as set out in Schedule 9 to be made by the General Partner and/or the Partnership in the period between the Effective Date up to and including the Completion Date unless otherwise agreed between the Seller and the Buyer;

"Business Day" means any day other than a Saturday, Sunday, statutory holiday or a day on which banks are general closed in London, United Kingdom and Warsaw, Poland;

"CAD" means the lawful currency for the time being of Canada;

"Cash Consideration" has the meaning set out in Clause 3.1(a);

"Cieszyn Concession" means the concession for exploration and prospecting crude oil and natural gas in "Cieszyn" area no 69/2009/p issued to the Seller by the Ministry on 10 December 2009, which was transferred to the Partnership on 11 January 2010 and as amended on 10 December 2014;

"Accounts" means the unaudited balance sheet, profit and loss account and cash flow statement of the General Partner and the Partnership in respect of the accounting period ending on the Accounts Date, including all notes to such statements;

"Accounts Date" means 31 December 2016;

"Affiliate" means in relation to a Party: (i) if the Party is a subsidiary of another company the Party's ultimate holding company and any subsidiary (other than the party itself) of the Party's ultimate holding company; or (ii) if the Party is not a subsidiary of another company, any subsidiary of a Party;

"Agreement" means this agreement, collectively with its schedules and exhibits, as may be amended, restated, supplemented and/or superseded from time to time by the Parties;

"Announcement" has the meaning set out in Clause 15.6;

"[REDACTED]" means:

- (a) the loan agreement between the General Partner and [REDACTED], dated 22 November 2012; and
- (b) the loan agreement between the Partnership and [REDACTED], dated 22 November 2012;

"Articles of Association" means the Articles of Association of the Partnership, adopted on 11 February 2009 in a notarial deed drawn up by Wojciech Szczypkowski, notary public in Warsaw, file no. 1797/2009, as amended on 29 December 2011 by notarial deed drawn up by the same notary, file number 19080/2011;

"Bielsko-Biala Concession" means the concession for exploration and prospecting crude oil and natural gas in "Bielsko-Biala" area no 32/2009/p issued to the Seller by the Ministry on 4 May 2009, which was transferred to the Partnership on 28 September 2009 and as amended on 10 April 2012, 29 November 2012 and 30 April 2014;

"Bielsko-Biala Mining Usufruct Agreement" means the agreement for mining usufruct (*umowa użytkowania górniczego*) dated 4 May 2009, between the State Treasury and the Seller, which was transferred to the Partnership on 28 August 2009 and as amended on 30 April 2014 and 5 April 2016;

"Budget" means a budget of payments as set out in Schedule 9 to be made by the General Partner and/or the Partnership in the period between the Effective Date up to and including the Completion Date unless otherwise agreed between the Seller and the Buyer;

"Business Day" means any day other than a Saturday, Sunday, statutory holiday or a day on which banks are general closed in London, United Kingdom and Warsaw, Poland;

"CAD" means the lawful currency for the time being of Canada;

"Cash Consideration" has the meaning set out in Clause 3.1(a);

"Cieszyn Concession" means the concession for exploration and prospecting crude oil and natural gas in "Cieszyn" area no 69/2009/p issued to the Seller by the Ministry on 10 December 2009, which was transferred to the Partnership on 11 January 2010 and as amended on 10 December 2014;

"Cieszyn Mining Usufruct Agreement" means the agreement for mining usufruct (*umowa użytkowania górniczego*) dated 10 December 2009 between the State Treasury and the Seller which was, transferred to the Partnership on 14 December 2009 and as amended on 10 December 2014 and 29 January 2016;

"Claim" means a claim for breach of any of the Warranties and any claim whether by law, in contract, tort or otherwise against the Seller arising out of or relating to any of the other provisions of this Agreement or the subject matter of this Agreement;

"Commercial Companies Code" means the Polish Act of 15 September 2000 – Commercial Companies Code;

"Completion" means completion of the sale and purchase of the GP Shares and the transfer of LP Interest to the Buyer in accordance with this Agreement;

"Completion Date" means the date of Completion;

"Conditions Precedent" has the meaning set out in Clause 4.1;

"Concessions" means the Cieszyn Concession and the Bielsko-Biała Concession;

"Concession Data" means G&G Data and any other material technical data (including data relating to drill cuttings) under the control or possession of the Seller which relates to operations carried out in respect of the Concessions;

"Consideration Shares" means the new Horizon Shares to be issued pursuant to Clause 3.1(b);

"Dangerous Substance" means any natural or artificial substance (whether solid, liquid or gas and whether alone or in combination with any other substance or radiation) capable of causing harm to any human or other living organism or damaging the Environment, public health or welfare;

"Data Room" means the data room at the site located at [REDACTED] which contains the documents set out in the list in Schedule 11;

"Effective Date" means the date of this Agreement;

"Encumbrance" means all claims, liens, charges (fixed or floating), mortgages, encumbrances, royalties, debentures, pledges, options, equitable rights and interests, net profit interests, rights of pre-emption, rights of first refusal, rights to acquire, title retention or any other Third Party rights or any other security interest of any kind and any agreement or arrangement to create any of the foregoing (provided that any rights or obligations expressly set out in this Agreement or the Concessions shall not be considered an Encumbrance);

"Environment" means the environmental media of air, water and land, all living organisms and natural or man-made structures;

"Environmental Law" means all law relating to the protection of human health or the Environment, the conditions of the workplace or the generation, transportation, storage, treatment, emission or disposal of a Dangerous Substance or Waste (including anything arising under international treaties);

"Environmental Licence" means any authorisation, licence, consent or permission required under or issued in relation to any Environmental Law; and

"EUR" means the single European currency;

"Exalo" means Exalo Drilling S.A;

"Exalo Claim" means the ICC arbitration proceeding (case reference 22441/MHM) between the Partnership, Seller's Group and Exalo;

"Final Agreement" means the transfer agreements relating to the transfer of the GP Shares and the LP Interest substantially in the form set out in Schedule 7;

"G&M Law" means the Act of 9 June 2011 – the Geological and Mining Law, as amended from time to time;

"G&G Data" means geological, geophysical, geochemical and other similar data and information that is not obtained through a well bore;

"Government" means the government of Poland and any political subdivision, agency or instrumentality thereof;

"Government Authority" means:

- (a) any national, regional or local government and any ministry, national, directorate, national institutes, provincial government, provincial directorates or department thereof;
- (b) any person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to a government (including any independent regulator);
- (c) any governmental entity, instrumentality, agency, authority, court or company;
- (d) any other entity, committee or commission under the direct or indirect control of a government; and
- (e) any government-owned or controlled commercial enterprise;

"GP Shares" has the meaning set out in recital (B);

"Group" means in relation to a Party, that Party and any of its Affiliates;

"Hold Period" has the meaning set out in Clause 8.2;

"Horizon Loan" means the loan in the amount of USD 100,000 from the Buyer to the Partnership pursuant to the Horizon Loan Letter;

"Horizon Loan Letter" means the letter agreement dated 15 June 2017 between San Leon Energy plc and the Buyer;

"Horizon Shares" means the common shares of the Buyer;

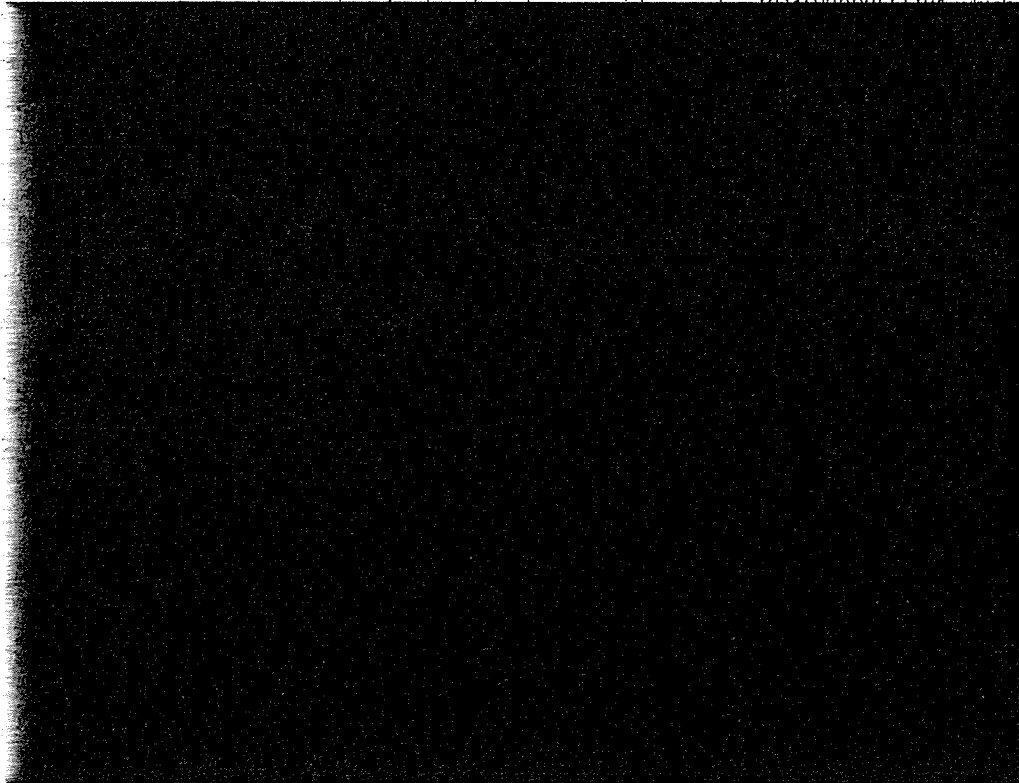
"Issue Price" means the lesser of:

- (a) the lowest price per new Horizon Share at which investors agree to pursuant to any Placing;
- (b) CAD 0.20; and

- (c) the volume weighted average price per Horizon Share for the period of 10 trading days immediately prior to Completion;

_____ means the owner of the land no. _____ in Piszowice, Wilamowice municipality, Bielsko county, _____;

"**Lands**" means the real properties located on the surface above the deposits covered by the Concessions, necessary to carry out the mining works envisaged in the concessions, that is: (i)



"**Loan Assignment**" means a deed of transfer of the _____ Loan Agreements from _____ to the Buyer or a member of the Buyer's Group (at the Buyer's election), in the form substantially set out in Schedule 8;

"**Longstop Date**" means the date that is 12 months after the Effective Date or such other date that is agreed between the Parties in writing;

"**LP Interest**" has the meaning set out in recital (D);

"**Material Adverse Change**" means any event, change, circumstance, effect or other matter that has a material adverse effect on:

- (a) the business, financial condition or results of operations of the General Partner and the Partnership, taken as a whole; or
- (b) the ability of the Seller to consummate timely the Transaction contemplated by this Agreement;

provided, however, that none of the following, either alone or in combination, will constitute, or be considered in determining whether there has been, a Material Adverse Change: any event,

change, circumstance, effect or other matter resulting from or related to (i) any outbreak or escalation of war or major hostilities or any act of terrorism, (ii) changes in laws, GAAP or enforcement or interpretation thereof, (iii) changes that generally affect the industries and markets in which General Partner and the Partnership operates, (iv) changes in financial markets, general economic conditions (including prevailing interest rates, exchange rates, commodity prices and fuel costs) or political conditions, (v) any failure, in and of itself, of the General Partner and the Partnership to meet any published or internally prepared projections, budgets, plans or forecasts of revenues, earnings or other financial performance measures or operating statistics (it being understood that the facts and circumstances underlying any such failure that are not otherwise excluded from the definition of a "Material Adverse Change" may be considered in determining whether there has been a Material Adverse Change), (vi) any action taken or failed to be taken pursuant to or in accordance with this Agreement or at the request of, or consented to by, the Buyer, or (vii) the execution or delivery of this Agreement, the consummation of the Transaction contemplated by this Agreement or the Announcement or other publicity with respect to any of the foregoing;

"Mediation Notice" has the meaning set out in Clause 29.3;

"Minimum Amount" means CAD [REDACTED] (before expenses) to be raised pursuant to the Placing;

"Mining Usufruct" means the Bielsko-Biala Mining Usufruct Agreement and the Cieszyn Mining Usufruct Agreement;

"Ministry" means the Ministry of the Environment of the Republic of Poland (*Ministerstwo or Minister Ochrony Środowiska*, (as the case may be));

"Notice of Dispute" has the meaning set out in Clause 29.2;

"Net Profits Interest" shall have the meaning ascribed to it in the Net Profits Interest Deed;

"Net Profits Interest Deed" means the deed in the form set out in Schedule 6 to be entered into by the Buyer, the Partnership and the Seller at Completion;

"PGNiG" means Polskie Górnictwo Naftowe i Gazownictwo S.A.;

"Placing" means any private placing of new Horizon Shares by the Buyer to institutional or other investors during the period on and from the Effective Date and up to but excluding the Completion Date and which raises the Minimum Amount;

"PLN" means the lawful currency for the time being of the Republic of Poland;

"Poland" means the Republic of Poland;

"Pre-contractual Statement" means any draft of this Agreement, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this Agreement made or given by any person at any time prior to the Effective Date;

"Qualification Decision" means a positive decision issued by the Ministry pursuant to Article 49a section 17 of the G&M Law, confirming that the Buyer has the experience in searching and exploring as well as extracting hydrocarbon deposits and that the Buyer is not subject to corporate control by a foreign country and/or entity and/or an individual or, if such corporate control exists over the Buyer, that it does not constitute a threat to national security;

"Relief" means any loss, relief, allowance, credit, exemption or set off in respect of Tax or any deduction in computing income, profits or gains for the purposes of Tax and any right to a repayment of Tax;

"Senior Executive" means any individual who has the authority to negotiate the settlement of a dispute for a Party;

"State Treasury" means the Ministry of State Treasury of the Republic of Poland (*Skarb Państwa*);

"Tax" means all forms of taxation and statutory, governmental, state, federal, local, duties, contributions, levies or withholdings (in each case in the nature of taxation) wherever chargeable and whether of Poland or any other jurisdictions and any penalty, fine, surcharge or interest relating thereto (but excluding business rates), and **"Taxation"** shall have the same meaning;

"Tax Claim" means a claim for breach of any of the Tax Warranties;

"Tax Warranties" means the warranties set out in paragraph 12 of Schedule 3;

"Taxation Authority" means any government, state or municipality or any local, state, federal or other fiscal, revenue, customs or excise authority, body or official competent to impose, administer, levy, assess or collect Tax;

"Third Party" means any person other than a member of the Seller's Group or the Buyer's Group;

"Third Party Liabilities" means (i) the liabilities of the Partnership towards PGNiG; (ii) the liabilities of the Partnership towards Exalo; and (iii) the liabilities of the Partnership towards Julia Anna Pudelek;

"Transaction" means the transaction contemplated by this Agreement or any part of that transaction;

"Transaction Documents" means this Agreement, the Net Profits Interest Deed, any disclosure letter and any other agreements referred to in this Agreement or the Net Profits Interest Deed as being executed or to be executed by the Parties on the Effective Date or at Completion or as contemplated by this Agreement or the Net Profits Interest Deed;

"Transformation Process" has the meaning set out in Clause 4.1(a);

"TSXV" means the TSX Venture Exchange;

"USD" means the lawful currency for the time being of the United States of America;

"Warranties" means the warranties given by the Seller set out in Schedule 3; and

"Waste" means any unwanted or surplus substance irrespective of whether it is capable of being recycled or recovered or has any value.

1.2 In this Agreement, unless the contrary intention appears:

- (a) Clause, Schedule and paragraph headings shall not affect the interpretation of this Agreement. References to recitals, clauses and Schedules are to the clauses of and Schedules to this Agreement and references to paragraphs are to paragraphs of the relevant Schedule;

- (b) the Schedules form part of this Agreement and shall have effect as if set out in full in the body of this Agreement and any reference to this Agreement includes the Schedules;
- (c) words in the singular shall include the plural and the plural shall include the singular;
- (d) a reference to one gender shall include a reference to the other genders;
- (e) a person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and that person's personal representatives, successors and permitted assigns;
- (f) a reference to a party shall include that party's personal representatives, successors and permitted assigns;
- (g) a reference to a company shall include any company, corporation or other body corporate, wherever and however incorporated or established;
- (h) a reference to a holding company or a subsidiary means a holding company or a subsidiary (as the case may be) as defined in Commercial Companies Code;
- (i) any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms; and
- (j) a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time provided that, as between the Parties, no such amendment, extension or re-enactment made after the Effective Date shall apply for the purposes of this Agreement to the extent that it would impose any new or extended obligation, liability or restriction on, or otherwise adversely affect the rights of, any party.

2. Sale and purchase

- 2.1 Subject to the terms of this Agreement, the Seller hereby agrees to sell and the Buyer hereby agrees to purchase:
 - (a) the GP Shares with full title guarantee, free from all Encumbrances and together with all rights that attach (or may in the future attach) to the GP Shares including, in particular, the right to receive all dividends and distributions declared, made or paid with effect from Completion; and
 - (b) the LP Interest, free from all Encumbrances, including in particular, the right to receive all dividends and distributions declared, made or paid with effect from Completion.
- 2.2 The General Partner hereby consents to the transfer of LP Interest to the Buyer in accordance with article 10 §2 of Commercial Companies Code and in accordance with §14 of the Articles of Association.

3. Consideration

- 3.1 The consideration for the purchase of the GP Shares and the transfer of the LP Interest shall be:
 - (a) USD 1,000,000 (the "Cash Consideration") less the amount of the Horizon Loan which shall (subject to Clause 3.6) be paid by the Buyer to the Seller in cash by electronic transfer in immediately available funds to the Seller's bank account on the Completion Date;

- (b) subject to Clause 3.3, the Buyer issuing such number of Horizon Shares (to be determined in accordance with Clause 3.2) fully paid and free from all Encumbrances together with all rights attaching to them, to the Seller on the Completion Date (the "**Consideration Shares**"); and
 - (c) the Buyer agreeing to enter into the Net Profits Interest Deed at Completion and paying, pursuant to the Net Profits Interest Deed, the Net Profits Interest.
- 3.2 The number of Consideration Shares to be issued to the Seller pursuant to Clause 3.1(b) shall be calculated by dividing CAD 1,000,000 by the Issue Price.
- 3.3 Unless otherwise agreed by the Seller, if the Buyer does not issue the Consideration Shares to the Seller on the Completion Date or the Consideration Shares are subject to a hold period which exceeds the Hold Period, the Buyer shall pay to the Seller in cash by electronic transfer in immediately available funds to the Seller's bank account within 5 Business Days of the Completion Date, the greater of:
 - (a) CAD 1,000,000; and
 - (b) (if applicable) an amount in USD equal to the number of Horizon Shares the Seller would have received on the Completion Date multiplied by the volume weighted average share price of the Buyer from the Completion Date until the date of payment.
- 3.4 As soon as practicable following the issue of the Consideration Shares:
 - (a) the Buyer will register the Seller in the register of members of the Buyer as the holder of the Consideration Shares;
 - (b) at the election of the Seller, deliver to the Seller an original share certificate in respect of the Consideration Shares or in the case of the Consideration Shares to be held in uncertificated form to credit the Consideration Shares to such account as instructed by the Seller; and
 - (c) in accordance with the Seller's instructions, take such other steps as is necessary to complete the transfer of the Consideration Shares.
- 3.5 For the avoidance of doubt, the Horizon Loan is repaid in full at Completion due to the Buyer paying the Cash Consideration less the amount of the Horizon Loan and San Leon Energy plc is fully discharged and released from all of its obligations and liabilities pursuant to the Horizon Loan Letter.
- 3.6 Notwithstanding anything to the contrary in this Agreement, if at Completion, the Exalo Claim has not been settled by the General Partner and the Partnership or by the Seller, then [REDACTED] of the Cash Consideration (the "**Deferred Amount**") shall be paid by the Buyer into a notarial account to be established by the Seller at the Seller's cost and the Buyer and the Seller shall enter into a notarial deed of deposit setting out the conditions of release of the Deferred Amount from the notarial account (the "**Notarial Deposit**"). The Buyer and the Seller agree that the Deferred Amount will be released within 3 Business days of any of the following events occurring:
 - (a) a final binding arbitration award from the ICC arbitration tribunal for the Exalo Claim being made;
 - (b) the delivery of the original settlement between the parties to the Exalo Claim;

- (c) a written statement signed by Exalo waiving any and all claims under the Exalo Claim; or
- (d) the Buyer's written consent for the release of the Deferred Amount;

and in the case of Clauses 3.6(a) and 3.6(b) occurring the notary will be instructed to pay to the Buyer from the notarial account an amount equivalent to the sum due from the General Partner or the Partnership (as applicable) to Exalo and the balance remaining shall be paid to the Seller. In the case of Clauses 3.6(c) and 3.6(d), the Deferred Amount less any amount required to be paid to Exalo shall be paid to the Seller.

4. Conditions Precedent

- 4.1 Completion of this Agreement is subject to the satisfaction or waiver of each of the following, which shall together constitute the "Conditions Precedent":
 - (a) the Seller having received a final (ostateczna) decision on the transformation of Concessions into concessions for exploration, prospecting and exploitation of oil and gas (the "Transformation Process");
 - (b) the Buyer having received the Qualification Decision; and
 - (c) the Buyer having received approval from the TSXV for the Transaction.
- 4.2 The General Partner must use its reasonable endeavours to satisfy the Condition Precedent set out in Clause 4.1(a) as soon as practicable and subject to Clause 7.8, at the General Partner's sole cost, and in any event by the Long Stop Date. The Buyer must use its reasonable endeavours to satisfy the Conditions Precedent set out in Clauses 4.1(b) and 4.1(c) as soon as practicable and in any event by the Long Stop Date. Notwithstanding the foregoing, the Seller shall have the right to suspend the Transformation Process if the Condition Precedent set out in Clause 4.1(a) is likely to be satisfied before the Conditions Precedent set out in Clause 4.1(b) and shall have the right to resume the Transformation Process at any time.
- 4.3 The Seller and the Buyer shall promptly give written notice to the other of:
 - (a) the satisfaction of the relevant Conditions Precedent (and in any event within 2 Business Days of becoming aware of its satisfaction); or
 - (b) anything which comes to the Seller or Buyer's attention (as applicable) which will or might prevent the relevant Conditions Precedent from being fulfilled by the Long Stop Date.
- 4.4 If all of the Conditions Precedent have not been satisfied or the Condition Precedent set out in Clause 4.1(a) is not otherwise waived by the Buyer in writing or if the Conditions Precedent set out in Clauses 4.1(b) and 4.1(c) have not otherwise been waived by the Seller and the Buyer in writing, on or before the Long Stop Date, either the Seller or the Buyer may, by written notice to the other, terminate this Agreement.
- 4.5 Notwithstanding anything to the contrary in this Agreement, if:
 - (a) the Seller receives any draft mining usufruct agreement associated with the Transformation Process (either concerning the Bielsko-Biala Concession or the Cieszyn Concession); and

- (b) the Conditions Precedent set out in Clauses 4.1(b) and 4.1(c) have not been satisfied or cannot be waived by the Buyer,

then the Buyer and the Seller may agree, in good faith, an arrangement whereby the Buyer shall be granted a legal or economic interest in the Concessions, the Partnership or the General Partner in consideration for the Buyer meeting all costs relating to the Concessions and the Mining Usufruct, the G&M Law and the Transformation Process, including costs relating to any work programme and deposits (the "**Alternative Arrangement**").

- 4.6 The Seller shall have the right to terminate this Agreement with immediate effect if, on the date that is 1 Business Day prior to the date that any costs or fees are due and payable to the Ministry:

- (a) the Buyer and the Seller have not agreed the terms and conditions of the Alternative Arrangement in writing; and
- (b) the Buyer has not paid to the Seller the fees and costs due and payable to the Ministry.

5. Conduct until Completion

- 5.1 The Seller undertakes to procure that between the Effective Date and Completion each of the General Partner and the Partnership:

- (a) shall carry on its business in the ordinary and usual course and in accordance with Polish law and without any material interruption or alteration in the nature, scope or manner of the business; and
- (b) shall promptly notify the Buyer of any matters which would reasonably be likely to have a material effect on the business of the General Partner and the Partnership.

- 5.2 Without prejudice to Clause 5.1, the Seller undertakes to procure that between the Effective Date and Completion, each of the General Partner and the Partnership shall not, without the Buyer's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed), do any of the following:

- (a) allot any shares or other securities or loan capital, or repurchase or redeem any shares, securities or loan capital, or sub-divide or consolidate any of its share capital, or grant any option, right of conversion or right of pre-emption in respect of any of its share capital, or acquire any shares or securities in any other corporate person, or agree or commit to do any of the foregoing;
- (b) amend, enter into any new, or terminate any existing agreements or arrangements for capital expenditure, any other investment or any other purpose with a value exceeding [REDACTED] or which cannot be terminated with [REDACTED] notice except that the Partnership shall be entitled to suspend and resume the Transformation Process under Clause 4.2, enter into mining usufruct agreements associated with the Transformation Process and make minor modifications to the Bielsko-Biala Concession and Bielsko-Biala Concession Mining Usufruct Agreement;
- (c) employ or contract any individual whether on a labour agreement or civil contract or other arrangement or amend any existing employment or civil agreement, or take any actions with a view to employing or contracting any individual;

- (d) acquire or dispose of, or agree to acquire or dispose of, any asset or enter into or amend any agreement or incur any commitment to do so, the value of which exceeds [REDACTED];
- (e) enter into any agreements with the Seller or its Affiliates;
- (f) acquire or agree to acquire any shares or other interest in any company partnership or other venture;
- (g) borrow any sum other than from a member of the Seller or its Group;
- (h) create any Encumbrance on the GP Shares, LP Interest or any assets held by the Partnership and the General Partner or agree to do so in the future;
- (i) enter into any merger, split-off, conversion or any other corporate restructuring;
- (j) settle or agree to settle any legal proceedings other than settlement of the Exalo Claim;
- (k) take any action or omission that would adversely affect or terminate the obtainment and/or existence of any Concession or other permit needed for the operation of the Partnership and the General Partner except that the General Partner and/or the Partnership shall be entitled to take any action or omission required to effect the Transformation Process and make minor modifications to the Bielsko-Biala Concession; or
- (l) amend the Articles of Association;

provided that, if the Buyer does not respond within 5 Business Days of a notice in accordance with this Agreement, the Buyer shall be deemed to have approved the subject matter of such notice.

5.3 Clauses 5.1 and 5.2 shall not apply in respect of any act or omission or other action taken by the Seller, the General Partner and the Partnership:

- (a) in order to satisfy a legally binding obligation on it pursuant to any contract or agreement entered into by the Seller, the General Partner or the Partnership prior to the Effective Date;
- (b) in respect of any expenditure agreed or forming part of a process agreed by the General Partner or the Partnership prior to the Effective Date;
- (c) which is done at the request of the Buyer;
- (d) which is necessitated by any emergency, in order to satisfy any legal or regulatory requirement or otherwise necessary in order to safeguard the health, safety or environmental concerns of the Seller, the General Partner or the Partnership (including to safeguard lives, property and the Environment);
- (e) which is provided for in this Agreement or any of the Transaction Documents; and
- (f) which is necessary for the General Partner and the Partnership to repay any debts and liabilities (whether actual or contingent) subsisting or outstanding to the Seller or its Affiliates.

5.4 The Parties acknowledge that on the date of this Agreement, there are intercompany payables and receivables owing between:

- (a) the General Partner and members of the Seller's Group in respect of the General Partner;
- (b) the Partnership and members of the Seller's Group in respect of the Partnership; and
- (c) the General Partner and the Partnership,

(together, the "**Intra-Group Indebtedness**") and the Parties agree that notwithstanding Clauses 5.1 and 5.2, each of the General Partner and the Partnership shall be entitled to capitalise, transfer or contribute the Intra-Group Indebtedness, subject to the Seller receiving tax advice and there being no cost to the Seller. There shall be no Intra-Group Indebtedness by the General Partner and the Partnership at Completion.

5.5 The Seller undertakes to the Buyer to pay all Third Party invoices and payables owing by the Partnership or the General Partner in respect of any costs incurred by the Partnership or the General Partner before the Effective Date.

6. Net Profits Interest Deed

At Completion, each of the Seller, the Buyer, the General Partner and the Partnership shall execute and enter into the Net Profits Interest Deed.

7. Completion

7.1 Subject to the satisfaction or waiver of all of the Conditions Precedent, Completion shall take place at a place and time to be agreed by the Seller and the Buyer in writing on the 5th Business Day after all of the Conditions Precedent are satisfied or waived (in accordance with Clause 4.4) which shall be confirmed by the Seller giving written notice.

7.2 At Completion, the Seller shall do those things listed in Part A and C of Schedule 2.

7.3 At Completion, the Buyer shall do those things listed in Part B and C of Schedule 2.

7.4 Neither the Buyer nor the Seller shall be obliged to complete the sale and purchase of any of the GP Shares and the transfer of the LP Interest unless the sale and purchase of all of the GP Shares and the transfer of the LP Interest is completed simultaneously.

7.5 In the event that the Buyer or the Seller fails to comply with its obligations in Schedule 2, the non-defaulting Party may (in its absolute discretion and without prejudice to any other rights or remedies it has):

- (a) proceed to Completion as far as practicable but without prejudice to its other rights under this Agreement;
- (b) defer Completion to a date no more than 5 Business Days after the date on which Completion would otherwise have taken place; or
- (c) terminate this Agreement.

7.6 Prior to Completion, the Buyer shall have the right to terminate this Agreement by written notice to the Seller with immediate effect if:

- (a) there is a Material Adverse Change;

- (b) there is fraud on the part of the Seller;
- (c) there is a breach of the Warranty set out in paragraph 2.2 of Schedule 3; or
- (d) if the Partnership or the General Partner has any liabilities (including contingent liabilities) which exceed [REDACTED] which were not included in the Accounts or were not disclosed on the date of this Agreement and have not been remedied by the Seller before Completion.

7.7 Subject to Clauses 4.4, 4.6, 7.5(c), 7.6, 14.2 and 14.4, no Party shall be entitled to terminate or rescind this Agreement for any reason.

7.8 At Completion, the Buyer covenants to pay to the Seller an amount equal to all invoices and payables which the General Partner and/or the Partnership has paid in respect of any costs and fees incurred by the Partnership or the General Partner after the Effective Date provided however that such payments shall have been made in accordance with the G&M Law, the Concessions, the Mining Usufruct, the Transformation Process, the Budget or otherwise with the Buyer's prior written consent.

8. Post completion Covenants

8.1 On or as soon as reasonably practicable following Completion, the Seller shall deliver to the Buyer any and all material information and documentation in relation to the Lands, the GP Shares and the LP Interest, as requested by the Buyer, including:

- (a) the Articles of Association;
- (b) all financial records of the General Partner and the Partnership in electronic version, and to the extent it exists, in paper version made up to 30 December 2016;
- (c) any and all Concession Data;
- (d) any and all correspondence with the Ministry relating to the Partnership; and
- (e) a copy of the application to change the bank signatories in respect of the General Partner's bank account, duly received by the bank.

8.2 If the Seller is issued the Consideration Shares which are subject to [REDACTED], following Completion, without the prior written consent of the Buyer (such consent not to be unreasonably withheld, conditioned or delayed) the Seller undertakes [REDACTED]

(a) [REDACTED]

(b) [REDACTED]

- (c) [REDACTED]
- (d) [REDACTED]
- (e) [REDACTED]
- (f) [REDACTED]

8.3 The Buyer shall procure that an ordinary meeting of the shareholders of the General Partner is convened immediately following the end of the first post-Completion financial year of the General Partner and that the meeting will pass a vote of acceptance (*absolutorium*) of the duties by the management board members being in charge of the General Partner until Completion.

8.4 From Completion, the Buyer, the General Partner and/or the Partnership (as applicable) shall:

- (a) give the Seller or its Affiliate full control in respect of the obligations towards the [REDACTED] including, allowing the Seller or its Affiliate to undertake such works as are necessary to discharge any obligations towards the [REDACTED] and under applicable laws;
- (b) at the Seller's request and in a form reasonably acceptable to the Seller, grant one or more attorney(s) of the Seller's choice reasonable powers so that the Seller's nominated attorney(s) can deal with [REDACTED] and have the rights that the General Partner and the Partnership have under applicable contracts with the [REDACTED] and to assess, contest, dispute, defend, submit and pursue any claims;
- (c) give notice in writing as soon as practicable to the Seller of any information, correspondence or issues relating to the [REDACTED];
- (d) provide to the Seller in a timely manner, such reasonable assistance and reasonable access to information and materials relating to the [REDACTED];
- (e) not take any action or settling or compromising any claim or dealing which would prejudice any rights and/or remedies which are available to the Buyer, General Partner and the Partnership; and
- (f) allow the Seller to settle any claims on such terms as it may deem appropriate with the [REDACTED].

8.5 From Completion, the Buyer discharges and releases the Seller's Group from any and all claims up to the Deferred Amount which relate to the Exalo Claim upon payment of the Deferred Amount into the Notarial Deposit.

9. Warranties

9.1 The Seller warrants to the Buyer that, except as set out in Clause 9.4 below, each Warranty is true, accurate and not misleading on the Effective Date and on the Completion Date, subject to the Seller's right to make a disclosure in the period between the Effective Date and up to and including the Completion Date.

- 9.2 Warranties qualified by the expression "so far as the Seller is aware" or "to the best knowledge of the Seller" or any similar expressions shall be deemed to refer only to the extent to which the directors of the Seller are actually aware of matters to which such Warranty relates as at the date such Warranty is given.
- 9.3 Each of the Warranties is separate and, unless otherwise specifically provided, is not limited by reference to any other Warranty or any other provision in this Agreement.
- 9.4 Subject to the Buyer's right to terminate this Agreement pursuant to Clause 7.6(c), the Seller shall not be in breach of the Warranties and shall have no liability in respect thereof to the extent that any matter or thing that would have otherwise given rise to a Claim for breach of a Warranty is fairly disclosed, containing sufficient detail to allow identification of its scope in Schedule 5 to this Agreement, the Data Room or disclosed in a disclosure letter during the period between the Effective Date and up to and including the Completion Date.
- 9.5 The Buyer acknowledges and confirms that:
- (a) it does not rely on and has not been induced to enter into this Agreement on the basis of any Pre-contractual Statement or any covenant undertaking, indemnity or other statement whatsoever other than as expressly set out in this Agreement;
 - (b) neither the Seller nor any member of the Seller's Group have given any Pre-contractual Statement, covenant, undertaking, indemnity or other statements whatsoever other than as expressly set out in this Agreement;
 - (c) it is familiar with the status of, and has had access to information relating to, works under, and the operations connected with the Concessions and the Transformation Process and is fully aware of the statutory obligation to establish the deposit upon completion of the Transformation Process;
 - (d) it has made its own risk assessment of the activity conducted by the General Partner and the Partnership and is fully aware of the legal regime governing the activity of the General Partner and the Partnership and will not raise any Claims against the Seller arising out of or in connection with changes to the legal, tax or economic regulations by the Government and/or the Ministry which occurred after the Effective Date;
 - (e) in respect of the Concessions, the Seller's Group, the General Partner and the Partnership makes no representation or warranty as to:
 - (i) the amounts, quality or deliverability of the reserves attributable to the Concessions;
 - (ii) any geological, geophysical, engineering, economic or other interpretations, forecasts or evaluations;
 - (iii) the quality or accuracy of any Concession Data;
 - (iv) any forecast of expenditures, budgets or financial projections;
 - (v) any geological formation, drilling prospect or hydrocarbon reserve and the Buyer acknowledges that it has made its own independent assessment and evaluation of these matters; and
 - (vi) the amount (if any) of environmental liabilities or decommissioning liabilities associated with the Concessions; and

- (f) the Seller shall have no responsibility, liability or obligation in respect of or for the unilateral actions or inactions of the Ministry or the Government, and the Buyer will not hold the Seller responsible for any such actions which may impair or vitiate this Agreement. Unless specifically provided in the Warranties, neither the Seller nor any member of the Seller's Group gives any warranty, representation, covenant, guarantee, indemnity or undertaking whatsoever that the Concessions will continue in force following Completion and it is the responsibility of the Buyer to ensure that the Partnership continues to operate the Concessions to the satisfaction of the Ministry.

10. Indemnities

10.1 Subject to Completion occurring, Clause 8.4 and Clause 10.2, the Seller indemnifies and holds harmless the Buyer against:

- (a) all Third Party invoices and payables owing by the Partnership or the General Partner in respect of any costs incurred by and which accrue to the Partnership or the General Partner before the Effective Date but excluding the Third Party Liabilities;
- (b) any reasonable costs incurred by the Buyer in relation to the Exalo Claim to the extent not already settled by the Seller or by way of the payment of the Deferred Amount;
- (c) any claims of the [REDACTED] with reference to any rent or compensation for leaving some infrastructure built by the Partnership on the said property to the extent not settled by the Seller;
- (d) costs of any liability caused by the gas exhaling from the geological and exploring [REDACTED] but excluding any liability caused as a result of the act or omission of the Buyer or at the Buyer's request to the extent not settled by the Seller;
- (e) costs of any liability for a failure to remediate [REDACTED] and [REDACTED];
- (f) direct costs incurred by the General Partner and the Partnership due to delay in payments due and payable to the State Treasury under agreements concerning the Mining Usufruct before the Effective Date.

10.2 Any payment by the Seller to the Buyer pursuant to Clause 10.1 shall be deemed to be a reduction of the Cash Consideration.

10.3 Notwithstanding any provisions to the contrary in this Agreement, the Parties agree that from Completion, the Seller (or such entity as the Seller may nominate from time to time) shall, at its sole discretion, control, manage and conduct the arbitration proceedings and all other matters relating to [REDACTED] on behalf of the General Partner or the Partnership (as applicable) and the Buyer shall exercise its rights in order to procure that the General Partner or the Partnership (as applicable) shall take all actions necessary to ensure that the Seller (or such entity as the Seller may nominate from time to time) shall at its sole discretion, control, manage and conduct the arbitration proceedings and all other matters relating to [REDACTED]. The Seller shall be responsible for and shall indemnify the Buyer against all costs incurred in relation to the control, management and conduct of the arbitration proceedings and all other matters relating to the [REDACTED]. The Seller shall provide regular updates on the [REDACTED] to the Buyer, together with all such information relating to the [REDACTED] as may reasonably be requested by the Buyer. The General Partner or the Partnership (as applicable) will, to the extent possible, assign the [REDACTED] and any liabilities relating to the [REDACTED] to the Seller or the

Seller's nominated Affiliate. The Buyer shall not settle the [REDACTED] without the prior written consent of the Seller.

11. Seller's limitation on liability

11.1 No Claim shall be brought against the Seller in respect of this Agreement unless:

- (a) the Buyer gives to the Seller written notice of such Claim (other than a Tax Claim, as to which the provisions of Clause 11.1(b) shall apply), specifying (in reasonable detail) the matter which gives rise to the Claim, the nature of the Claim and the amount claimed in respect thereof (detailing the Buyer's good faith calculation of the loss thereby alleged to have been suffered by it) reasonably promptly and in any event on or before the date falling 12 months after the Completion Date;
- (b) in respect of a Tax Claim unless the Buyer gives to the Seller written notice of the Tax Claim, specifying (in reasonable detail) the matter which gives rise to the Tax Claim, the nature of the Tax Claim and the amount claimed in respect thereof (detailing the Buyer's good faith calculation of the loss thereby alleged to have been suffered by it) reasonably promptly and in any event on or before the date falling 6 years after the Completion Date; and
- (c) legal proceedings in respect of such Claim (including a Tax Claim) have commenced within 6 months of service of such notice and for this purpose proceedings shall not be deemed to have commenced unless they have been properly issued and validly served upon the Seller.

11.2 Monetary Thresholds

- (a) The Seller shall not be liable in respect of any Claim unless and until the amount of all such Claims exceed in aggregate [REDACTED] but once the aggregate amount of all such Claims has exceeded such sum, the Seller shall be liable in respect of the full amount of all such Claims and not only the amount by which such sum is exceeded.
- (b) Subject to Clause 11.2(c), the Seller's maximum aggregate liability in respect of all Claims (other than Claims in respect of any breach of Environmental Laws and the Concessions by the Seller, the General Partner or the Partnership prior to the Effective Date) made by Buyer, shall not exceed [REDACTED]
- (c) The Seller's maximum aggregate liability in respect of all Claims made by Buyer in respect of any breach of Environmental Laws and the Concessions by the Seller, the General Partner or the or the Partnership prior to the Effective Date, shall not exceed [REDACTED]

11.3 The Seller shall not be liable in respect of a Claim if and to the extent that it arises or is increased as a result of:

- (a) the enactment, making or coming into effect of, amendment of or any change in any applicable laws, administrative practice of any Government Authority or body or generally accepted accounting practice after the Effective Date;
- (b) any increase in the rate, change in the method of calculation or scope of Taxation after the Effective Date;
- (c) the Transaction;

- (d) the loss which is subject to the Claim has been or is made good or is otherwise compensated for without cost to the Buyer;
 - (e) the matter or liability giving rise to the Claim arising from, or having arisen is increased as a result of any change due to the price of hydrocarbons or the Buyer's estimates;
 - (f) the facts and circumstances giving rise to the Claim are fairly disclosed to the Buyer in accordance with Clause 9.4;
 - (g) any change in the bases, methods or policies of accounting of the General Partner and/or the Partnership other than to comply with generally accepted accounting practices or principles then current; or
 - (h) failure by the Buyer, the General Partner or the Partnership to make any valid Claim, election, surrender or disclaimer, to give a valid notice or consent to do any other thing under any provisions or any enactment or regulation relating to Tax.
- 11.4 The Seller shall not be liable in respect of a Claim to the extent that the Claim would not have arisen but for an act, omission or transaction:
- (a) of the Buyer or to the extent that the Claim would not have arisen but for a breach of this Agreement by the Buyer;
 - (b) made before Completion at the request of the Buyer; or
 - (c) occurring after the Completion Date at the express written request or in compliance with the express written direction of or with the express written consent of the Buyer.
- 11.5 Each Party shall take all reasonable steps to mitigate any loss or damage which it may suffer as a consequence of any breach of this Agreement.
- 11.6 Clause 11 shall not apply to any Claim or part of a Claim which arises from fraud or wilful concealment.
- 11.7 Notwithstanding any other provision of this Agreement, the Seller shall only be liable in respect of a breach of any of the Tax Warranties or otherwise for any Tax liability in respect of any matter or liability or any other Claim under this Agreement to the extent that it is a liability to pay actual tax, and, in particular and without prejudice to the generality of the foregoing the Seller shall not be liable for breach of any of the Tax Warranties or otherwise liable for any Tax liability in respect of any matter or liability or any other Claim under this Agreement to the extent that any Relief of the General Partner or the Partnership or any of its subsidiaries (including any interest or repayment supplement attributable to such Relief) is available to relieve or mitigate that tax liability (or is for no consideration made available by the Seller to the General Partner or the Partnership or any of the subsidiaries), or would have been so available but for the setting-off of the Relief against profits or a liability for tax (in either case in respect of which the Seller would not have been liable to make a payment to the Buyer hereunder), or would have been so available but for any other action or omission of the Buyer or the General Partner or the Partnership after Completion.
- 12. Buyer warranties**
- 12.1 On the Effective Date, the Buyer warrants to the Seller that:
- (a) it is properly constituted and incorporated under the laws of the jurisdiction of its incorporation;

- (b) it has all necessary authority, power and capacity to enter into and perform each of the Transaction Documents to which it is a party without requiring the consent, approval or authority of any other person;
- (c) all necessary actions have been taken to enable it to enter into each such document properly and lawfully;
- (d) the Transaction Documents constitute obligations binding on it in accordance with their terms;
- (e) the transactions contemplated by the Transaction Documents will not violate or be in conflict with or result in a default under (with due notice or lapse of time or both):
 - (i) any provision of the charter, articles of incorporation, or other organisational agreement (as the case may be), as may be amended from time to time, of the Buyer;
 - (ii) any present law, agreement or instrument to which such Buyer is bound; or
 - (iii) any present judgment, order or decree applicable to the Buyer;
- (f) it is not a party to any litigation or arbitration or administrative or criminal proceedings which are likely to have a material adverse effect on its business, assets or condition and which are likely to affect materially and adversely its ability to observe and confirm its obligations under the Transaction Documents or on the financial or trading position or prospects of the Buyer and no such proceedings are threatened, pending or likely against the Buyer;
- (g) no director of the Buyer is, to the extent it relates to the business of the Buyer engaged in or subject to anything mentioned in Clause 12.1(f);
- (h) it is not for statutory purposes deemed to be unable to pay its debts and is able to pay its debts as they fall due and no steps have been taken to propose any scheme of arrangement involving the Buyer and its creditors generally, obtain an administration order or appoint any administrator, other receiver, a trustee in bankruptcy or equivalent officer in relation to the Buyer or any of its property or to wind up or dissolve the Buyer, nor has any step analogous to the above been taken in respect of the Buyer in any jurisdiction;
- (i) no event or circumstance has occurred or arisen or, so far as the Buyer is aware, is about to occur or arise by reason of which any person is, or would be, or could with the giving of notice and/or lapse of time and/or a relevant determination become entitled to require repayment prior to its stated maturity, or to take any step to enforce security for, any borrowings or indebtedness in the nature of borrowing of the Buyer and the Buyer has not received notice from any person to whom any indebtedness which is repayable on demand is owed demanding repayment of the same and the Buyer is not otherwise aware that any such person proposes to demand repayment of, or to take any step to enforce any security for, the same;
- (j) no event or circumstance has occurred or arisen or, so far as the Buyer is aware, is about to occur which constitutes or results in, or would with the giving of notice and/or lapse of time and/or the making of a relevant determination, constitute, or result in, a default or the acceleration or breach of any obligation under any agreement, instrument or arrangement to which the Buyer is a party or by which the Buyer or any of its properties, revenues or assets are bound, and which would in any such case have a

material adverse effect on the businesses, assets or prospects of the General Partner and the Partnership taken as a whole;

(k) the Horizon Shares have been validly issued and are outstanding as fully paid and non-assessable;

(l) the Consideration Shares:

(i) will at the time of issue, be validly issued, fully paid and non-assessable and will be free of all Encumbrances;

(ii) will not have been offered pursuant to an offering memorandum, any prospectus, sales or advertising literature or any other document (other than financial statements, interim financial statements or any other document the content of which is prescribed by statute or regulation) describing or purporting to describe the business and affairs of the Buyer to assist it in making an decision in respect of the Consideration Shares;

(iii) are issued pursuant to exemptions from prospectus requirements or equivalent requirements under applicable securities laws and do not have regulatory protections as may otherwise be available;

(iv) will not have been nor will be registered under the United States Securities Act of 1933, as amended ("**U.S. Securities Act**") or the securities laws of any state and that these securities may not be offered or sold in the United States without registration under the U.S. Securities Act or compliance with requirements of an exemption from registration and the applicable laws of all applicable states and acknowledges that the Buyer has no present intention of filing a registration statement under the U.S. Securities Act in respect of the Consideration Shares;

(v) 

(vi) may be subject to certain escrow requirements of a stock exchange or applicable securities laws which restrict the trading in the Consideration Shares for directors, officers, insiders and their affiliates.

(m) the Buyer has complied and will fully comply with the requirements of applicable securities and corporate legislation in respect of the Placing and the issue of the Consideration Shares;

- (n) no order ceasing or suspending trading in the securities of the Buyer nor prohibiting sale of such securities has been issued to the Buyer or its directors or officers and no investigations or proceedings for such purposes are pending or threatened; and
 - (o) the Horizon Shares are admitted to trading on TSXV and the Buyer has not taken any action which would be reasonably expected to result in the cancellation of such admission or suspension from trading of the Horizon Shares on TSXV and the Buyer is currently in material compliance with the rules and regulations of TSXV.
- 12.2 The warranties set out in Clause 12.1 are deemed to be repeated by the Buyer every day from the Effective Date until the issue of the Consideration Shares. The Buyer undertakes to the Seller to disclose to the Seller in writing any information which might indicate that the Buyer's warranties pursuant to Clause 12.1 are not, or have ceased to be, true and accurate or are, or have become, misleading or would not, or would have ceased to be, true and accurate or would be, or would have become, misleading if the same were repeated when the Consideration Shares are issued, upon becoming aware of the same.
- 12.3 If, at any time prior to the issue of the Consideration Shares, the Seller receives notification pursuant to Clause 12.2 or otherwise becomes aware that any of the Buyer's warranties set out in Clause 12.1 is or has become untrue, inaccurate or misleading, the Seller may elect to receive [REDACTED] instead of the Consideration Shares which shall be paid by the Buyer to the Seller in cash in by electronic transfer in immediately available funds to the Seller's bank account at Completion.
13. **Tax**
- Each Party shall be responsible for the payment of its own Taxes, duties and administrative fees (including any stamp, recording, registration, documentary, transaction or filing Taxes and any notary fees) arising in connection with this Transaction.
14. **Anti-bribery**
- 14.1 The Seller warrants, represents and undertakes to the Buyer that no member of its Group (nor any director, officer or employee of any member of its Group) has made, offered, or authorised and will not make, offer, or authorise with respect to the Concessions and the matters which are the subject of this Agreement, any payment, gift, promise or other advantage, whether directly or through any other person or entity, to or for the use or benefit of any public official (i.e., any person holding a legislative, administrative or judicial office, including any person employed by or acting on behalf of a public agency, a public enterprise or a public international organisation) or any political party or political party official or candidate for office, where such payment, gift, promise or advantage would violate:
- (a) the applicable laws of the Republic of Poland;
 - (b) the laws of the country of incorporation of Seller;
 - (c) the principles described in the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on December 17, 1997, which entered into force on February 15, 1999, and the Convention's Commentaries; or
 - (d) the United States Foreign Corrupt Practices Act 1977 or the Bribery Act 2010 of the United Kingdom.

14.2 Where the Seller breaches Clause 14.1 before Completion, the Buyer may, by notice to the Seller, terminate this Agreement immediately.

14.3 The Buyer warrants, represents and undertakes to the Seller that no member of its Group (nor any director, officer or employee of any member of its Group) has made, offered, or authorised and will not make, offer, or authorise with respect to the Concessions and the matters which are the subject of this Agreement, any payment, gift, promise or other advantage, whether directly or through any other person or entity, to or for the use or benefit of any public official (i.e., any person holding a legislative, administrative or judicial office, including any person employed by or acting on behalf of a public agency, a public enterprise or a public international organization) or any political party or political party official or candidate for office, where such payment, gift, promise or advantage would violate:

- (a) the applicable laws of the Republic of Poland;
- (b) the laws of the country of incorporation of the Buyer;
- (c) the principles described in the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on December 17, 1997, which entered into force on February 15, 1999, and the Convention's Commentaries; or
- (d) the United States Foreign Corrupt Practices Act 1977 or the Bribery Act 2010 of the United Kingdom.

14.4 Where the Buyer breaches Clause 14.3 before Completion, the Seller may, by notice to the Buyer, terminate this Agreement immediately.

15. Confidentiality and announcements

15.1 Each Party undertakes to the other Parties that it shall, and shall procure that its Group shall:

- (a) keep confidential the terms of this Agreement and the Net Profits Interest Deed and all confidential information or trade secrets in its possession concerning the business, affairs, customers, clients or suppliers of the other Parties;
- (b) not disclose any of the information referred in Clause 15.1(a) in whole or in part to any Third Party, except as expressly permitted by this Clause 15; and
- (c) not make any use of any of the information referred in Clause 15.1(a), other than to the extent necessary for the purpose of exercising or performing its rights and obligations under this Agreement.

15.2 Nothing in this Agreement shall be construed as imposing on the Buyer an obligation to keep confidential, or restrict its use after Completion, of any information relating to the General Partner or the Partnership.

15.3 Notwithstanding any other provision of this Agreement, no Party shall be obliged to keep confidential or to restrict its use of any information that:

- (a) is or becomes generally available to the public (other than as a result of its disclosure by the receiving Party or any person to whom it has disclosed the information in accordance with Clause 15.4(a) in breach of this Agreement); or

- (b) was, is or becomes available to the receiving Party on a non-confidential basis from a person who, to the receiving Party's knowledge, is not bound by a confidentiality agreement with the disclosing Party or otherwise prohibited from disclosing the information to the receiving Party.

15.4 No Party may disclose any information that it is otherwise required to keep confidential under this Clause 15:

- (a) to those of its employees, officers, consultants, representatives or advisers (or those of any member of its Group) who need to know such information to enable them to advise on this Agreement, or to facilitate the Transaction, provided that the Party making the disclosure informs the recipient of the confidential nature of the information before disclosure and procures that each recipient shall, in relation to any such information disclosed to him, comply with the obligations set out in this Clause 15 as if they were that party. The Party making a disclosure under this Clause 15.4(a) shall, at all times, be liable for the failure of its recipients to comply with the obligations set out in this Clause;
- (b) with the prior consent in writing of the other Parties;
- (c) to confirm that the Transaction has taken place, or the date of the Transaction (but without otherwise revealing any other terms of the Transaction or making any other announcement); or
- (d) to the extent that the disclosure is required:
 - (i) by the laws of any jurisdiction to which that Party is subject; or
 - (ii) by an order of any court of competent jurisdiction, or any regulatory, judicial, governmental or similar body, or any Taxation Authority or securities exchange or stock exchange of competent jurisdiction; or
 - (iii) to make any filing with, or obtain any authorisation from, a regulatory, governmental or similar body, or any Taxation Authority or securities exchange of competent jurisdiction; or
 - (iv) to the extent that disclosure is required by any member of the Seller's Group by the rules or requirements of regulatory body;
 - (v) to protect that Party's interest in any legal proceedings;

provided that in each case (and to the extent it is legally permitted to do so) the Party making the disclosure gives the other Parties as much notice of such disclosure as reasonably possible and, where notice of disclosure is not prohibited and is given in accordance with this Clause, it takes into account the reasonable requests of the other Parties in relation to the content of such disclosure; and

- (e) in the case of the Buyer, to those of its partners, and investors, or potential investors who may be investing in the Buyer to enable it to develop the Concessions, provided that the Buyer informs the recipient of the confidential nature of the information before disclosure and procures that each recipient shall, in relation to any such information disclosed to him, comply with the obligations set out in this Clause 15 as if they were that party. The Buyer shall, at all times, be liable for the failure of its recipients to comply with the obligations set out in this Clause.

15.5 Each Party shall supply the other Party with such information about itself, its Group or this Agreement as the other Parties may reasonably require for the purposes of satisfying the requirements of any law or any judicial, governmental, regulatory or similar body or any securities exchange or stock exchange of competent jurisdiction to which the other Parties are subject.

15.6 No Party shall make, or permit any person to make, any public announcement, communication or circular ("**Announcement**") concerning this Agreement or the Transaction without the prior written consent of the other Parties (such consent not to be unreasonably withheld or delayed). Nothing in this Clause 15.6 shall prevent a Party from making any Announcement required by law or any governmental or regulatory authority (including, without limitation, any relevant securities exchange or stock exchange), or by any court or other authority of competent jurisdiction.

16. Further assurance

16.1 The Parties shall (at their own expense) promptly execute and deliver such documents and perform such acts as the other Parties may require from time to time for the purpose of giving full effect to the Transaction Documents.

16.2 In relation to the General Partner and the Partnership, the Parties shall procure the convening of all meetings, the giving of all waivers and consents and the passing of all resolutions as are necessary under statute, its constitutional documents or any agreement or obligation affecting it to give effect to the Transaction Documents.

16.3 The Buyer shall make such notifications to any Concession holder or state or governmental authority or regulatory authority that may be required to be made by or in connection with the Concessions and the Lands in respect of the transfer of the GP Shares and the LP Interest.

17. Assignment

No Party shall assign, transfer, mortgage, charge, declare a trust of, or deal in any other manner with any or all of its rights and obligations under the Transaction Documents (or any other document referred to in it), without the prior written consent of the other Parties. Notwithstanding the above, once the obligations of the Buyer pursuant to Clause 3 have been fulfilled to the Seller's satisfaction, the Buyer may assign its rights (but not any obligations) under this Agreement to a wholly-owned subsidiary of the Buyer.

18. Entire agreement

18.1 Subject to Clause 18.2 below, this Agreement and the Net Profits Interest Deed (together with the documents referred to in them) constitute the entire agreement between the Parties and supersedes and extinguishes all previous agreements, discussions, correspondence, negotiations, drafts, agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to the Transaction and other matters referred to in this Agreement.

18.2 Except in the case of fraud, no Party shall have any right of action against any other Party arising out of or in connection with any Pre-contractual Statement except to the extent that it is repeated in this Agreement.

19. Losses and No Double Recovery

19.1 Neither the Buyer nor the Seller shall have any liability in respect of any claim for breach of this Agreement (i) to the extent that it is based on or comprises indirect or consequential loss or (ii) for any punitive or special damages or (iii) for any loss of profit or revenue howsoever arising, whether directly or indirectly.

19.2 No Party shall be entitled to recover damages or otherwise obtain payment, reimbursement or restitution (howsoever recovered and whether pursuant to this Agreement, any other document entered into pursuant to it or otherwise) more than once in respect of the same loss, liability, cost, expense or damage.

20. Variation and waiver

20.1 No variation of this Agreement shall be effective unless it is in writing and signed by the Parties (or their authorised representatives).

20.2 A waiver of any right or remedy under this Agreement or by law is only effective if it is given in writing and is signed by the person waiving such right or remedy. Any such waiver shall apply only to the circumstances for which it is given and shall not be deemed a waiver of any subsequent breach or default.

20.3 A failure or delay by any person to exercise any right or remedy provided under this Agreement or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy.

21. Costs

Except as expressly provided in this Agreement, each Party shall pay its own costs and expenses incurred in connection with the negotiation, preparation and execution of this Agreement (and any documents referred to in it).

22. Notices

22.1 A notice given to a Party under or in connection with this Agreement:

- (a) shall be in writing and in English;
- (b) shall be signed by or on behalf of the Party giving it;
- (c) shall be sent to the relevant Party for the attention of the contact and to the address or email specified in Clause 22.2, or such other address, email or person as that Party may notify to the other in accordance with the provisions of this Clause 22;
- (d) shall be:
 - (i) delivered by hand; or
 - (ii) sent by email; or
 - (iii) sent by airmail or by reputable international overnight courier (if the notice is to be served by post to an address outside the country from which it is sent); and
- (e) unless proved otherwise is deemed received as set out in Clause 22.4.

22.2 The addresses and emails for service of notices are:

- (a) Buyer:
 - (i) address: Suite 1500, 700 - 4th Avenue SW, Calgary, Alberta, T2P 3J4;
 - (ii) for the attention of: David Winter

(iii) email address: david.winter@horizon-petroleum.com

With copy to: McDougall Gauley LLP

(i) address: 1500 – 1881 Scarth Street, Regina, Saskatchewan

(ii) for the attention of: Brendan Bernakevitch

(iii) email address: [REDACTED]

And a copy to:

(i) address: Dentons Europe D. Oleszczuk spk.k, Rondo ONZ 1, 30 floor

(ii) for the attention of: Arkadiusz Krasnodębski, Agnieszka Kulińska

(iii) email address: [REDACTED]

(b) Seller

(i) [REDACTED]

(ii) [REDACTED]

(iii) [REDACTED]

With copy to:

address: San Leon Energy plc
3300 Lake Drive
Citywest Business Campus, Dublin 24
Ireland

for the attention of: [REDACTED]

email: [REDACTED]

(c) the Partnership:

(i) address: ul. Moniuszki 1A, 00-014 Warszawa

(ii) [REDACTED]

(iii) [REDACTED]

With copy to:

address: San Leon Energy plc
3300 Lake Drive
Citywest Business Campus, Dublin 24
Ireland

for the attention of: [REDACTED]

email: [REDACTED]

(d) the General Partner:

(i) address: ul. Moniuszki 1A, 00-014 Warszawa

(ii)

(iii)

With copy to:

address: San Leon Energy plc
3300 Lake Drive
Citywest Business Campus, Dublin 24
Ireland

for the attention of:

email:

22.3 A Party may change its details for service of notices as specified in Clause 22.2 by giving notice to the other party. Any change notified pursuant to this Clause shall take effect at 9.00 am on the later of:

(a) the date (if any) specified in the notice as the effective date for the change; or

(b) 5 Business Days after deemed receipt of the notice of change.

22.4 Delivery of a notice is deemed to have taken place (provided that all other requirements in this Clause have been satisfied):

(a) if delivered by hand, on signature of a delivery receipt or at the time the notice is left at the address; or

(b) if sent by email, at the time of transmission; or

(c) if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the 5th Business Day after posting; or

(d) if deemed receipt under the previous paragraphs of this Clause 22.4 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this Clause, all references to time are to local time in the place of deemed receipt.

22.5 To prove service, it is sufficient to prove that:

(a) if delivered by hand, the notice was delivered to the correct address; or

(b) if sent by email, a read receipt was received confirming that the notice was successfully read; or

(c) if sent by airmail, the envelope containing the notice was properly addressed, paid for and posted.

22.6 This Clause 22 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

23. Severance

If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this Clause shall not affect the validity and enforceability of the rest of this Agreement.

24. Agreement survives Completion

This Agreement (other than obligations that have already been fully performed) remains in full force after Completion.

25. Third party rights

25.1 Except as expressly provided to the contrary in this Agreement, a person who is not a Party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

25.2 San Leon Energy plc shall be entitled to the benefit of and to enforce the rights and entitlements under and in connection with Clause 3.5 to the extent stated and in each case subject to and in accordance with the terms of this Agreement and the provisions of the Contracts (Rights of Third Parties) Act 1999,

25.3 The rights of the Parties to terminate, rescind or agree any variation, waiver or settlement under this Agreement are not subject to the consent of any other person.

26. Successors

This Agreement (and the documents referred to in it) is made for the benefit of the Parties and their successors and permitted assigns, and the rights and obligations of the Parties under this Agreement shall continue for the benefit of, and shall be binding on, their respective successors and permitted assigns.

27. Counterparts

27.1 This Agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute one agreement.

27.2 No counterpart shall be effective until each Party has executed at least one counterpart.

28. Rights and remedies

28.1 Except as expressly provided in this Agreement, the rights and remedies provided under this Agreement are in addition to, and not exclusive of, any rights or remedies provided by law.

28.2 No delay or omission by any Party to this Agreement in exercising any right, power or remedy provided by law or under this Agreement or any other documents referred to in it shall affect that right, power or remedy, or operate as a waiver thereof. The single or partial exercise of any right, power or remedy provided by law or under this Agreement shall not preclude any other or further exercise of it or the exercise of any right, power or remedy.

29. Governing law, jurisdiction and dispute resolution

- 29.1 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.
- 29.2 A Party shall provide written notice of a dispute, containing a brief statement of the nature of the dispute and the relief requested to the other Parties (the "**Notice of Dispute**"). The Parties shall initially seek to resolve any dispute by negotiation between Senior Executives.
- 29.3 If, within 20 Business Days of the Notice of Dispute, the dispute is not resolved, pursuant to Clause 29.2, any Party may initiate mediation by sending the other Parties a written request that the dispute be mediated (the "**Mediation Notice**"). The Parties will promptly respond to the requesting Party so that the Parties may jointly select a neutral mediator and schedule the mediation session. The mediator shall meet with the Parties to mediate the dispute within 5 Business Days of the Mediation Notice. Notwithstanding the foregoing, any Party may initiate proceedings in the courts of England and Wales concerning such dispute within 40 Business Days after the Notice of Dispute.
- 29.4 Each Party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims).

30. Service of Process

- 30.1 The Seller irrevocably appoints [REDACTED] San Leon Energy plc, 84 Brook Street, London W1K 5EH, United Kingdom as its agent to receive service of process in any legal action or proceedings related to this Agreement in the courts of England and Wales. If an agent for service of process appointed under this Clause 30.1 ceases to have an office in England, the Seller must ensure that there is another person in England to receive process on its behalf.
- 30.2 The Buyer irrevocably appoints Law Debenture Corporate Services Limited, Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom as its agent to receive service of process in any legal action or proceedings related to this Agreement in the courts of England and Wales. If an agent for service of process appointed under this Clause 30.2 ceases to have an office in England, the Buyer must ensure that there is another person in England to receive process on its behalf.
- 30.3 The General Partner and the Partnership irrevocably appoints [REDACTED] San Leon Energy plc, 84 Brook Street, London W1K 5EH, United Kingdom as its agent to receive service of process in any legal action or proceedings related to this Agreement in the courts of England and Wales. If an agent for service of process appointed under this Clause 30.3 ceases to have an office in England, the General Partner and the Partnership must ensure that there is another person in England to receive process on its behalf.

31. FX rate

The Parties agree that if any amount provided in the Agreement is set out in other currency than USD and there is a need for its conversion to respectively CAD, EUR or PLN, the applicable exchange rate shall be the midrate of the Polish National Bank announced on the day immediately preceding the day on which the event triggering the need to make the appropriate conversion occurred.

Schedule 1

Particulars of the General Partner and the Partnership

The General Partner

Name:	Energia Karpaty Zachodnie Sp. z o.o.
Registration number:	[REDACTED]
Place of incorporation:	Republic of Poland
Registered office:	ul. Moniuszki 1a, 00-014 Warsaw, Poland
Issued share capital:	[REDACTED]
Registered shareholder immediately prior to Completion:	The Seller
Registered shareholder upon Completion:	The Buyer
Directors and shadow directors:	[REDACTED]

The Partnership

Name:	Energia Karpaty Zachodnie Sp. z o.o. Sp. K.
Registration number:	[REDACTED]
Place of incorporation:	Republic of Poland
Registered office:	ul. Moniuszki 1a, 00-014 Warsaw, Poland
Limited partners and their contributions	[REDACTED]
General partners and their contributions	[REDACTED]

Schedule 2

Completion Obligations

1. Part A (Seller's obligations)

1.1 At Completion, the Seller shall deliver to the Buyer:

- (a) a duly executed counterpart of the Net Profits Interest Deed;
- (b) a duly executed counterpart of the Loan Assignment;
- (c) a duly executed counterpart of a notification to the General Partner in the form set out at Schedule 4 confirming the transfer of the GP Shares to the Buyer and informing the General Partner that the Seller is no longer a dominant company for the General Partner;
- (d) a copy (certified by a director of the Seller to be a true and correct copy of a resolution in force at Completion) of the resolution of the directors of the Seller authorising the execution, delivery and performance by the Seller of this Agreement;
- (e) written resignations, in agreed form, of all directors of the General Partner, from their respective offices with the General Partner, with waiver of all claims against the General Partner including compensation for loss of office or termination of the agreements, countersigned by the General Partner;
- (f) statement of the management board of the General Partner recalling all registered proxies (*prokura*) and proxies granted to act on behalf of the General Partner with respect to the matters of the Partnership and to act on behalf of the Partnership with evidence of acceptance by the proxies;
- (g) copies of all books and records of the General Partner and the Partnership; and
- (h) a parent company guarantee issued by San Leon Energy plc in the form set out in Schedule 10.

2. Part B (Buyer's obligations)

2.1 At Completion, the Buyer shall:

- (a) deliver a duly executed counterpart of the Net Profits Interest Deed;
- (b) if applicable, deliver the duly completed and executed transfers of the Consideration Shares in favour of the Seller;
- (c) if applicable, deliver the original certificates in respect of the Consideration Shares;
- (d) pay to the Seller's bank account by way of electronic transfer for same day value:
 - (i) USD 1,000,000 less the amount of the Horizon Loan to satisfy the payment obligation set out in Clause 3.1(a) and provide evidence to the satisfaction of the Seller;
 - (ii) the amount to satisfy the payment obligations set out in Clauses 7.8; and

(iii) [REDACTED] to satisfy the payment obligation set out in Clause 12.3 (if applicable);

- (e) deliver to the Seller a copy (certified by a director of the Buyer to be a true and correct copy of a resolution in force at Completion) of the resolution of the directors of the Buyer authorising the execution, delivery and performance by the Buyer of this Agreement;
- (f) deliver to the Seller a duly executed counterpart of a notification to the General Partner in the form set out at Schedule 4 confirming the transfer of the GP Shares to the Buyer and informing the General Partner that the Buyer has assumed the position of the dominant company of the General Partner;
- (g) countersign the parent company guarantee issued by San Leon Energy plc in the form set out in Schedule 10; and
- (h) (if applicable) deliver to the Seller a duly executed Notarial Deposit and pay to the notarial account by way of electronic transfer for same day value, the amount to satisfy the payment obligation set out in Clause 3.6.

3. Part C (Seller and Buyer's obligations)

- (a) At Completion, the Buyer shall and the Seller shall execute the Final Agreement in the form applicable in Poland to such transactions including, signatures confirmed by a notary for the transfer of GP Shares and notarial deed for the transfer of the LP Interest).
- (b) The obligations set out in Part A and Part B of this Schedule 2 shall be performed in the following order:
 - (i) The Seller and the Buyer shall each deliver a copy of the resolution of the directors of the Seller and the Buyer (as applicable) authorising the execution, delivery and performance by the Buyer of this Agreement;
 - (ii) The Seller and the Buyer shall execute the transfer of LP Interest;
 - (iii) The Seller and the Buyer shall execute the transfer of GP Shares;
 - (iv) The Seller and the Buyer shall each deliver the duly executed counterpart of the Net Profit Interest Deed;
 - (v) The Buyer's obligations pursuant to paragraph 2.1(b) of this Clause shall be carried out;
 - (vi) The Seller and the Buyer shall execute the notification to the General Partner as set out in paragraph 2(d) of this Schedule 2;
 - (vii) The Seller shall deliver to the Buyer the statement of the management board of the General Partner recalling all registered proxies (prokura) and proxies granted to act on behalf of the General Partner shall be delivered;
 - (viii) The Seller shall deliver to the Buyer the revocation of bank signatory powers by the General Partner and the Partnership; and

The Seller shall deliver to the Buyer the written resignations, in agreed form, of all directors of the General Partner, from their respective offices with the General Partner, with waiver of all claims

against the General Partner including compensation for loss of office or termination of the agreements, countersigned by the General Partner,

Schedule 3

Warranties

1. Power to sell the GP Shares and transfer the LP Interest

- 1.1 The Seller has taken all necessary actions and has all requisite power and authority to enter into and perform this Agreement and the other documents referred to in it (to which it is a party) in accordance with their respective terms.
- 1.2 This Agreement and the other documents referred to in it constitute (or shall constitute when executed) valid, legal and binding obligations on the Seller in accordance with their respective terms.
- 1.3 The execution and delivery by the Seller of this Agreement and the documents referred to in it, and compliance with their respective terms shall not breach or constitute a default under any law, agreement or instrument to which the Seller is a party or by which the Seller is bound, and will not result in a material breach of any order, judgment, administrative decision, decree or other restriction applicable to the Seller.
- 1.4 The Seller is not a party to any litigation or arbitration or administrative or criminal proceedings which are likely to have a material adverse effect on its business, assets or condition and which are likely to affect its obligations to observe and confirm its obligations under this Agreement, and so far as the Seller is aware, no such proceedings are threatened against the Seller.
- 1.5 Other than the Net Profit Interest Deed to be entered into at Completion, the Seller is not a party to any net profit interest agreement or similar arrangement which involves the profits of the Partnership, nor is the Seller under any obligation to inform or ask permission from any Third Party to enter into this Agreement.

2. GP Shares in the General Partner

- 2.1 The GP Shares constitute the whole of the allotted and issued share capital of the General Partner and are fully paid. The General Partner has not allotted or issued any share capital, or agreed to allot or issue any share capital, other than the shares shown in Schedule 1 as being issued.
- 2.2 The Seller is the sole legal and beneficial owner of the GP Shares, which constitute the entire issued share capital of the General Partner, and are fully paid, and is entitled to transfer the legal and beneficial title to the GP Shares to the Buyer free from all Encumbrances, without the consent of any other persons.
- 2.3 There is no option, right to acquire, mortgage, charge, pledge, lien or other form of security or Encumbrance or equity on, over or affecting the GP Shares or any unissued shares in the capital of the General Partner and there is no agreement or commitment to give or create any, nor has any person claimed any such right.

3. The LP Interest

- 3.1 The General Partner is the sole general partner (*komplementariusz*) of the Partnership and the Seller is the sole limited partner (*komandytariusz*) of the Partnership. There are no other rights and obligations of the limited partner in the Partnership which are not reflected in the Articles of Association.

3.2 There is no option, right to acquire, mortgage, charge, pledge, lien or other form of security or Encumbrance or equity on, over or affecting the LP Interest and there is no agreement or commitment to give or create any, nor has any person claimed any such right.

3.3 The General Partner:

- (a) does not hold or beneficially own, and has not agreed to acquire, any shares, loan capital or any other securities in any company; or
- (b) has not had any subsidiaries or subsidiary undertakings other than the Partnership.

3.4 The Partnership:

- (a) does not hold or beneficially own, and has not agreed to acquire, any shares, loan capital or any other securities in any company; or
- (b) has not, since its incorporation had any subsidiaries or subsidiary undertakings.

3.5 The General Partner has not:

- (a) purchased, redeemed, reduced, forfeited or repaid any of its own share capital; or
- (b) allotted or issued, or agreed to issue and allot, any securities (including share options and warrants) that are convertible into shares.

4. Constitutional and corporate documents

4.1 The details of the General Partner and the Partnership set out in Schedule 1 are accurate and complete.

4.2 A copy of the constitutional and corporate documents of the General Partner and the Partnership have been made available to the Buyer, and such copy documents are true, accurate and complete.

4.3 All returns, particulars, resolutions and other documents that the General Partner and the Partnership are required by law to file with, or deliver to, any authority have been correctly made up in all material respects and duly filed or delivered.

4.4 The statutory books and registers of the General Partner and the Partnership and all current books of account are up to date and, no written notice that any of them is incorrect or should be rectified has been received by the General Partner and/or the Partnership.

4.5 There are no agreements between the General Partner and/or the Partnership and any member of the Seller's Group for the supply of any goods or services or for the use by one company of the property, rights or assets of the other.

5. Compliance with laws

The General Partner and the Partnership have conducted its business in accordance with, and has acted in compliance with, all applicable laws and regulations of any relevant jurisdiction including any applicable anti-corruption and bribery legislation.

6. Assets

- 6.1 The General Partner and the Partnership have paid all fees and charges imposed by any applicable governmental or regulatory authority which have become due and payable with respect to the Concessions and the Mining Usufruct.
- 6.2 Upon Completion, the Concessions are valid, final and binding and, so far as the Seller is aware, there will be no proceedings aimed at their invalidation or re-opening of proceedings pending at any administrative body or court in respect of the Concessions and no basis for such claims.
- 6.3 Upon Completion, the Partnership will have complied with all the conditions stipulated in the Concessions, except for outstanding payments of fees related to the Concessions and the Mining Usufruct and the deposit required in accordance with the G&M Law, no breach of Concessions was notified by the Ministry to the Partnership and no proceedings aimed at withdrawing, expiry or amending the Concessions are currently pending and, to the best knowledge of the Seller there are no grounds to instigate such proceedings.
- 6.4 The Partnership has duly established any collateral required in relation to the Concessions in accordance with the applicable law and delivered appropriate evidence thereof to the Ministry.
- 6.5 Save for the Concessions at Completion, the Partnership does not have any petroleum concessions or outstanding application for any petroleum concessions.
- 6.6 There are no overdue contractual rents or payments with respect to the Land.

7. Environmental and health and safety

Save for the gas exhalation from the Kęty SL-1 well located on plot of land no. 1643/3 in Piszczowice, Wilamowice municipality, Bielsko county, śląskie voievodship, the Partnership has received no written notification from any government body of any actual or alleged breach by the Partnership of any environmental permits or laws, and as far as the Seller is aware, there are no facts or circumstances that are likely to lead to the issue of such written notification.

8. Disputes and investigations

- 8.1 Neither the General Partner, its directors, the Partnership nor any person for whose acts the General Partner or the Partnership may be vicariously liable, is engaged or involved in, or otherwise subject to any of the following matters:
- (a) any litigation or administrative, mediation, arbitration or other proceedings, or any claims, actions or hearings before any court, tribunal or any governmental, regulatory or similar body, or any department, board or agency; or
 - (b) any dispute with, or any investigation, inquiry or enforcement proceedings by, any governmental, regulatory or similar body or agency in any jurisdiction.
- 8.2 No such proceedings are pending by or against the General Partner, its directors, the Partnership or any person for whose acts the General Partner or the Partnership may be vicariously liable and so far as the Seller is aware, no such proceedings have been threatened and there are no circumstances likely to give rise to any such proceedings.

9. Finance and guarantees

- 9.1 Neither the General Partner nor the Partnership has received any notice (whose terms have not been fully complied with or carried out) from any creditor requiring any payment to be made in respect of any indebtedness, or intimating the enforcement of any Encumbrance which it holds over the assets of the General Partner or the Partnership.

9.2 The General Partner and the Partnership do not have any outstanding loan capital, or have lent any money that has not been repaid, and there are no debts owing to the General Partner and/or the Partnership other than debts that have arisen in the normal course of its business.

9.3 No guarantee, mortgage, charge, pledge, lien, assignment or other security agreement or arrangement has been given by or entered into by the Seller or any Third Party in respect of borrowings or other obligations of the General Partner or the Partnership.

10. Liabilities

10.1 The General Partner and the Partnership have no liabilities (including contingent liabilities) other than as disclosed in the Accounts or incurred in the ordinary and proper course of its business since the Accounts Date.

10.2 The liabilities (including contingent liabilities) as disclosed in the Accounts are not different from the liabilities existing on the Effective Date by more than EUR 10,000 following the Effective Date.

10.3 There is no outstanding indebtedness or other liability (actual or contingent) between the General Partner and/or the Partnership and either the Seller (or any other member of the Seller's Group) or a director or related party of the Seller's Group.

11. Accounts

11.1 The Accounts have been prepared in accordance with accounting standards, policies, principles and practices generally accepted in the Republic of Poland and in accordance with the applicable law and give a true and fair view of the state of affairs of the General Partner and the Partnership as at the Accounts Date, and of the profit and loss of the General Partner and the Partnership for the financial year ended on the Accounts Date.

11.2 Since the Accounts Date:

- (a) the General Partner and the Partnership have conducted the business in the normal course and as a going concern;
- (b) there has been no material adverse change in the turnover or the financial position of the General Partner and/or the Partnership; and
- (c) no dividend or other distribution of profits or assets has been, or agreed to be, declared, made or paid by the General Partner and/or the Partnership.

12. Tax and Land dues

12.1 So far as the Seller is aware, all Taxation (whether in Poland or elsewhere), for which the General Partner and the Partnership have been liable to account, has been duly paid (insofar as such Taxation ought to have been paid);

12.2 So far as the Seller is aware, all notices, computations, returns, registrations, documents and information which ought to have been submitted by the General Partner and/or the Partnership to the relevant Taxation Authority since their registration in the register of entrepreneurs of the National Registry Court have been submitted and all such notices, computations, returns, registrations, documents and information are true, accurate and complete in all material respects and not misleading and are not the subject of any material dispute, audit or review nor are likely to become the subject of any material dispute, audit or review with such authorities. So far as the Seller is aware, all records which the General Partner and the Partnership are required to keep

by law for Taxation purposes, or which would be needed by law to substantiate any claim made or position taken in relation to Taxation by the General Partner and the Partnership have been duly kept since the incorporation of the General Partner and the Partnership, respectively.

- 12.3 So far as the Seller is aware, the General Partner and the Partnership have not paid or become liable to pay any interest, penalty, surcharge or fine relating to Taxation.
- 12.4 So far as the Seller is aware, the General Partner and the Partnership have not received from any Taxation Authority (and has not subsequently repaid to or settled with that Taxation Authority) any payment to which it was not entitled, or any notice in which its liability to Taxation was understated.
- 12.5 So far as the Seller is aware, the General Partner and the Partnership have not received written notice of any dispute, or any threatened or pending dispute, with any Taxation Authority.
- 12.6 So far as the Seller is aware, no transaction or arrangement involving the General Partner and/or the Partnership have taken place or are in existence which are such that any provision relating to transfer pricing might be invoked by a Taxation Authority.

13. Employees

The General Partner and the Partnership have never employed any people.

14. Insurance

The General Partner and the Partnership have always had adequate liability insurance to cover its activities.

15. Subsidiaries

The Partnership does not have nor has it ever participated in any other companies, partnerships or joint ventures in the Republic of Poland or elsewhere. The General Partner does not have nor has it ever participated in any other companies, partnerships or joint ventures in the Republic of Poland or elsewhere, except for the Partnership.

16. Transactions with the Seller

- 16.1 There is no outstanding indebtedness or other liability (actual or contingent) and no outstanding contract, commitment or arrangement between the General Partner or the Partnership and any of the following:
 - (a) any member of the Seller's Group (other than the General Partner or the Partnership); or
 - (b) any director of a member of the Seller's Group; or
 - (c) any other person that would materially affect any of the terms of this Agreement.
 - 16.2 No member of the Seller's Group is entitled to a claim of any nature against the General Partner or the Partnership, or has assigned to any person the benefit of a claim against the General Partner or the Partnership to which the member would otherwise be entitled other than set forth in the Net Profits Interest Deed.
- ### **17. Contracts**
- 17.1 The Partnership has complied with all obligations stipulated in the relevant agreement pertaining to the use of the Land and there are no grounds for termination of such agreements due to

Partnership's breach thereof and so far as the Seller is aware, there are no grounds for termination of such agreements due to any other reasons. No termination or renegotiation notice with respect to the agreements granting the use of the Land to the Partnership has been received by the Partnership.

17.2 The Partnership has complied with all obligations stipulated in the Mining Usufruct and there are no grounds for termination of the Mining Usufruct due to Partnership's breach thereof. No termination or renegotiation notice with respect to the Mining Usufruct agreements has been received by the Partnership.

17.3 The Mining Usufruct is valid and so far as the Seller is aware, there are no grounds for declaring them invalid.

17.4 The Partnership is not a party to mining usufruct agreements other than the Mining Usufruct.

18. Conditions of equipment

The General Partner and the Partnership own no equipment with an aggregate value exceeding EUR 50,000.

19. Environmental

19.1 The Partnership has at all times complied with all applicable Environmental Law and obtained, and complied with, all Environmental Licences necessary for carrying on their respective businesses.

19.2 Environmental permits necessary for carrying on the current business of the Partnership are in full force and effect and so far as the Seller is aware there are no circumstances (including, but not limited to, the transfer of the GP Shares and the LP Interest to the Buyer) likely to give rise to the modification, suspension, or revocation of, to lead to the imposition of unusual or onerous conditions on, or to prejudice the renewal of, any of those licences.

19.3 No action relating to Environmental Law has been taken, is pending nor so far as the Seller is aware threatened against the Partnership, or any employees, directors or officers of the Partnership, by any competent authority or any other person.

19.4 No person has used, disposed of, stored, transported or emitted any Dangerous Substance or Waste, at, on, from or under any of the Lands and no directors or officers of the Partnership or of any of its subsidiaries has done any of those things at, on, from or under any other place.

19.5 Save for the gas exhalation from the Kęty SL-1 well located on plot of land no. 1643/3 in Piszczowice, Wilamowice municipality, bielsko county, śląskie voievodship, so far as the Seller is aware, during the time that any property previously owned or occupied by the Partnership, no person used, disposed of, stored, transported or emitted any Dangerous Substance or Waste at, on, from or under any such property.

20. Real estate

The General Partner and the Partnership neither own nor hold in perpetual usufruct any real estate.

Schedule 4

Notification of the Transfer of GP Shares

To: Energia Karpaty Zachodnie sp. z o.o. Moniuszki 1a, 00-014 Warsaw, Poland

From: Aurelian Oil & Gas Poland Sp. z o.o..
Kabelweg 37, 1014BA Amsterdam
The Netherlands

Notification of share transfer

We, the undersigned, acting for and on behalf of Aurelian Oil & Gas Poland Sp. z o.o., (the "**Seller**") and Horizon Petroleum Limited (the "**Buyer**"), pursuant to Article 187 § 1 of the Polish Commercial Companies Code, hereby notify you that on [•] 2017, the Seller transferred to the Buyer [•] shares representing 100% of the entire issued share capital of Energia Karpaty Zachodnie Sp. z o.o. Sp. K. (the "**Company**").

As proof of the above transfer, a copy of the share purchase agreement concluded on [•] 2017 pursuant to which the shares in the Company were transferred from the Seller to the Buyer is attached to this notification (the "**SPA**") ("**Schedule A**").

We also hereby notify, pursuant to Article 6 § 1 and 6 of the Polish Commercial Companies Code that as of [•] 2017, the Seller ceased to be a dominant company with respect to the Company and the Buyer assumed the position of the dominant company with respect to the Company.

Warsaw, [•] 2017

.....
Signed by
on behalf of the Seller, **Aurelian Oil & Gas Poland Sp. z o.o..**

.....
Signed by
on behalf of the Buyer, **Horizon Petroleum Limited**

Confirmation of receipt on behalf of Energia Karpaty Zachodnie Sp. z o.o. Sp. K. :

.....
Signed by

on behalf of the Company, **Energia Karpaty Zachodnie Sp. z o.o. Sp. K.**

Schedule 5

Seller's Disclosure

1. This Schedule constitutes formal disclosure to the Buyer for the purposes of the Transaction Documents of the facts and circumstances which are or may be inconsistent with the Warranties or which otherwise would or might give rise to a claim by the Buyer in respect of the Warranties. Such facts and circumstances will be deemed to qualify the Warranties accordingly.
2. For the sake of convenience, certain matters disclosed are listed against the numbers of the Warranties. However any disclosure, whether made generally or specifically, directly or by reference to any document or other source, will apply to all the Warranties to which it is or may be appropriate and any disclosure will not be limited in any way to the specific Warranty to which it refers.
3. No admission is made that any matter in or disclosed by this Schedule is required to be disclosed for the purposes of the Agreement or otherwise. The disclosure of any matter or document shall not imply any representation, warranty or undertaking not expressly given in the Agreement, nor shall such disclosure be taken as extending the scope of any of the Warranties.
4. Where the result of any investigation, search or inquiry or any other matter is or is deemed pursuant to any other provision of this Schedule to have been disclosed and this reveals or raises or would reveal or raise any matter which would put a prudent buyer on inquiry (or which is inconclusive), then any matter which would be revealed by any further appropriate search, inquiry or investigation which would be made by a prudent buyer shall be deemed to be disclosed.
5. Where there are disclosed in or by virtue of this Schedule estimates, forecasts or statements of opinion as to the amount of any liability, cost or expense then, provided that such estimates, forecasts or statements of opinion are provided in good faith and on a reasonable basis having made due and careful enquiries, if the amount should turn out to be inaccurate, such fact shall not of itself render a disclosure under or pursuant to this Schedule unfair.
6. The following matters are disclosed or deemed to have been disclosed in this Schedule:
 - (a) the contents of the Transaction Documents and of all documents, contracts, transactions and arrangements referred to in the Agreement;
 - (b) the contents of the constitutional documents of the General Partner and the Partnership;
 - (c) the contents of the minute books and statutory and other registers of the General Partner and the Partnership;
 - (d) all matters shown in the audited reports and accounts of the General Partner and the Partnership for all financial periods up to and including 31 December 2016;
 - (e) the contents of the Data Room;
 - (f) any matters referred to in correspondence between the Seller or its/their advisers and the Buyer or its advisers together with all enclosures with, or matters referred to in, such correspondence; and
 - (g) all matters of which the Buyer ought reasonably (without having made specific enquiry) to be aware as affecting a business similar to the business carried on by the General

Partner and the Partnership which are a matter of public record or within the public domain.

7. Without prejudice to the generality of the preceding paragraphs of this Schedule, the disclosures set out below are also made:

Warranty	Disclosure
1.4	There is an arbitration proceeding initiated by Exalo against San Leon Services Sp. z o.o. and Energia Karpaty Zachodnie Spółka z ograniczoną odpowiedzialnością Sp.k. regarding the [REDACTED]. The procedure has been suspended till end of June 2017. The documents were disclosed in the Data Room. [REDACTED] refused to sign an agreed settlement agreement and did not agree to the suspension of the procedure until the end of September 2017. [REDACTED] as agreed to provide the General Partner and the Partnership with an extension until the end of August 2017.
4.5	A list of the agreements entered into between the Partnership, the General Partner and San Leon Services Limited is set out below. These will be terminated at Completion.
6.2	The Concessions are undergoing transformation to concessions for exploration, appraisal and exploitation of oil and gas. For the Bielsko-Biała Concession there is an ongoing procedure for the work programme changing (see item 34 in DD Request Letter). The application for transferring the [REDACTED] Concession to [REDACTED] has been withdrawn.
6.3	The obligatory work programme on the Bielsko-Biała Concession has not been completed therefore there is an application that has been filed with the Government Authority to change the Work Programme as outlined in 6.2 above.
6.6	Based on current agreement the lease for [REDACTED] well, the fee was required to be paid by 31 January 2017. This was not paid as the parties are intending to sign a final agreement with the landowner to ensure that the well can be left for venting. The agreement has been initiated by the landowner and attached to DD documents. However it was agreed with the landowner that the outstanding amount will be paid together with the settlement amount.
7.	There is an outstanding environmental decision to be obtained at the [REDACTED] well relating to the acceptance of the land reclamation (Decyzja uznająca rekultywację zakończoną) from Starostwo. Land reclamation is ongoing.
8.1	There were two court procedures initiated by the Ministry of Environment due to lack of payment for usufruct fee for the Concessions. Both fees were paid in January 2017, however on 10 April 2017, the General Partner and the Partnership received the enforcement for payment for the Cieszyn Concession. Notwithstanding that the fee was paid, court fees in the amount of PLN 3,600 and PLN 1,680 have been paid. In respect of the Bielsko-Biała Concession, we understand that the court procedure will be cancelled by the Ministry of Environment as they have informed the court that the applicable fee has been paid. However, we do not have confirmation that it has been cancelled.

9.1	The Partnership received a motion from PGNiG for not paying back bank guaranties paid in 2014 for drilling operation on [REDACTED]. The documents are disclosed in the Data Room.
10.3	The [REDACTED] Loan Agreements are in place and pursuant to the [REDACTED] Loan Agreements, the Partnership has a loan liability including interest for approximately PLN 37 million (€8,632,037.64) and the General Partner has a loan for approximately PLN 274,931 (€64,159.79). As of 11 August 2017, the Partnership has intercompany outstanding liabilities in the amount of €393.75 to San Leon Energy plc. and PLN 72,838.90 to San Leon Services Sp. z o.o.
12.1	PCC tax may be payable on all money transfers between Polish Entities through the AOGF Loan Agreements between 2015 and 2017.
12.3	The Partnership paid interest for a delayed VAT payment in 2014 in the amount of PLN 388 and in 2017 in the amount of PLN 39.
12.5	The Partnership received a reminder for the delayed VAT payment for 2017 however this has already been paid in the amount of PLN 39.
12.6	There were transactions and arrangements involving San Leon Energy B.V., San Leon Services Sp. z o.o., San Leon Energy UK Limited and San Leon Energy plc and the AOGF Loan Agreements. There are no contracts in place with San Leon Energy B.V., San Leon Energy UK Limited and San Leon Energy plc.
14	From 2014 until 2017, the General Partner and the Partnership have had no insurance in place.
16.1	There is outstanding indebtedness between the General Partner and the Partnership and members of the Seller's Group. As of 11 August 2017, the General Partner has trade payables to San Leon Energy plc for services provided in the amount of €56,25 and loan liability to [REDACTED] in the amount of € 64 159,79. The partnership has trade payables to San Leon Energy plc in the amount of €393,75 and trade payable to San Leon Services Sp. z o.o. in the amount of PLN 72 838,90 for services provided. The Partnership has also loan liability to [REDACTED] in the amount of €8 632 037,63. The Third Party Liabilities are also outstanding. As of 11 August 2017, the Partnership has outstanding liabilities to PGNiG in the amount of PLN 81 343,81 (including interest), to Exalo in the amount of PLN 351 335,03 (including interest) and € 355 837,09 (including interest) and to a landowner in the amount of PLN 115 438,26 (including interest). The General Partner has no outstanding liabilities to Third Parties.
17.1	Two landowners have died since 2011 [REDACTED]. The rights to access the land are in the [REDACTED] however it is essential and necessary to pursue an inheritance case however the heirs must respect the [REDACTED]
17.2	The Partnership made a late payment for the VII instalment of the usufruct fee: - For Bielsko- Biala an usufruct amount was due on 3 June 2016 and 100 kPLN was paid on 18 January 2017 and 248 kPLN was paid on 8 February 2017; and - For Cieszyn an usufruct amount was due on 1 March 2016 but was paid on 17 January 2017.

	Despite having paid the fees, the Partnership received the call from the court on 10 April 2017 demanding payment of the fee for Cieszyn as the Ministry did not inform the court that this had been paid. As a result of that, the Partnership has paid the required court fees. For Bielsko- Biala, the Ministry has informed the court that the fee was paid however we have not received confirmation that the court procedures have been cancelled. The VIII instalment for usufruct fee for Cieszyn was paid on 2 March 2017 instead of 1 March 2017 together with interest, for Bielsko-Biala 260 kPln was paid on 2 June 2017 and 100 kPln on 30 June plus interest. The Ministry has not commenced the court procedure for late payment in respect of these amounts. Please see the Data Room for correspondence.
19.2	There is an outstanding environmental decision to be obtained at the [REDACTED] well relating to the acceptance of the land reclamation (Decyzja uznająca rekultywację zakończoną) from Starostwo. Land reclamation is ongoing.
19.5	During drilling of [REDACTED] the drilling waste was produced and disposed in the appropriate places based on the obtained permits.

Energia Karpaty Zachodnie Sp. z o.o. Sp. K. – list of agreements

Date	Supplier of good/services	Subject of the agreement
01/04/2013	San Leon Energy PLC 3300 Lake Drive, Citywest Business Campus, Dublin24, Ireland	Service agreement, indefinite period
02/02/2015	San Leon Services Sp. z o.o., Ul. Moniuszki 1a, 00-014 Warszawa	Office lease, indefinite period
02/02/2015 (as amended)	San Leon Services Sp. z o.o., Ul. Moniuszki 1a, 00-014 Warszawa	Service agreement, indefinite period
01/02/2016	San Leon (UK) Limited 84 Brook Street, London, W1K 5EF, United Kingdom	Service agreement, indefinite period
There is a rental storage with Wolar Sp.z.o.o with San Leon Services Sp.z.o.o providing for rental storage for which the General Partner and the Partnership use		
There is a monthly invoice for accounting software that is necessary to prepare JPK_VAT file to the Tax Office, distance contract. Termination period 2 months.		

Energia Karpaty Zachodnie Sp. z o.o. – list of agreements

Date	Supplier of good/services	Subject of the agreement
01/04/2013	San Leon Energy PLC 3300 Lake Drive, Citywest Business	Service agreement, indefinite period

	Campus, Dublin24, Ireland	
01/01/2014	San Leon Services Sp. z o.o., Ul. Moniuszki 1a, 00-014 Warszawa	General Office Administration Services Contract, indefinite period
02/02/2015	San Leon Services Sp. z o.o., Ul. Moniuszki 1a, 00-014 Warszawa	Office lease, indefinite period
01/01/2016	San Leon Energy BV, Kabelweg 37, 104a Amsterdam, The Netherlands	Service agreement, indefinite period

Energia Karpaty Zachodnie Sp. zo.o. and Energia Karpaty Zachodnie Sp. K. – list of loan agreements

Date	Lender and Borrower	Amount and currency
22/11/2012	██████████ to the Partnership	€ 10,000,000
22/11/2012	██████████ to the General Partner	€200,000

Schedule 6

Net Profits Interest Deed

THIS DEED is made on the day of 2017

BETWEEN:

- (1) **AURELIAN OIL & GAS POLAND SP. Z O.O.**, with corporate seat in Warsaw, address at ul. Moniuszki 1A, 00-014 Warszawa ul. Moniuszki 1A, 00-014 Warsaw, Poland, entered into register of entrepreneurs of the National Court Register under KRS no [REDACTED], having tax identification number (NIP) [REDACTED] and statistical number (REGON) [REDACTED] with a share capital of PLN 50,000, fully paid up, represented by [•] ("Aurelian");
- (2) **HORIZON PETROLEUM LIMITED**, with its registered office at Suite 1500, 700 - 4th Avenue SW, Calgary, Alberta, T2P 3J4, Canada ("Horizon");
- (3) **ENERGIA KARPATY ZACHODNIE SP. Z O.O.**, with corporate seat in Warsaw, address at ul. Moniuszki 1A, 00-014 Warszawa ul. Moniuszki 1A, 00-014 Warsaw, Poland, entered into register of entrepreneurs of the National Court Register under KRS no [REDACTED] having tax identification number (NIP) [REDACTED] and statistical number (REGON) [REDACTED] with a share capital of PLN 50,000, fully paid up, represented by [•] (the "General Partner"); and
- (4) **ENERGIA KARPATY ZACHODNIE SP. Z O.O. SP. K.**, with an address at ul. Moniuszki 1A, 00-014 Warszawa ul. Moniuszki 1A, 00-014 Warszawa, Poland, entered into register of entrepreneurs of the National Court Register under KRS no [REDACTED] having tax identification number (NIP) [REDACTED] and statistical number (REGON) [REDACTED] represented by [•] (the "Partnership").

each a "Party" and together, the "Parties".

BACKGROUND:

- (A) Under a share purchase agreement dated [•] (the "SPA"), Aurelian agreed to sell to Horizon both Aurelian's entire shareholding in the General Partner, being 100% of the issued shares in the General Partner, and its entire legal and beneficial interest of limited partner (komandytariusz) in the Partnership in consideration of entering into the SPA and the Parties entering into this Deed to grant to Aurelian the Net Profits Interest in respect of the Hydrocarbons produced from the Area.
- (B) Horizon agrees to grant the Net Profits Interest to Aurelian on the terms of this Deed.
- (C) The General Partner and the Partnership jointly and severally agree to guarantee the payment of all sums due and owing under this Deed by Horizon to Aurelian on the terms set out herein.

IT IS AGREED AS FOLLOWS:

1. Definitions and interpretation

- 1.1 In this Deed:

"Affiliate" means in relation to any person, any other person directly or indirectly Controlled by, or Controlling of, or under common Control with, that person and, in the case of a trust, any trustee or beneficiary (actual or potential) of that trust;

"Area" means the "Bielsko-Biala" area no 32/2009/p and the "Cieszyn" area no 69/2009/p as set out in 0;

"Business Day" shall mean a day other than a Saturday, Sunday, a statutory holiday or a day on which banks are generally closed in London, United Kingdom;

"Bi-annual Net Profits Statement" shall have the meaning ascribed to it in Clause 2.2;

"Concessions" means:

- (a) the concession for exploration and prospecting crude oil and natural gas in "Bielsko-Biala" area no 32/2009/p issued to Aurelian by the Ministry on 4 May 2009, transferred to the Partnership on 28 September 2009, as amended on 10 April 2012, 29 November 2012 and 30 April 2014; and
- (b) the concession for exploration and prospecting crude oil and natural gas in "Cieszyn" area no 69/2009/p issued to Aurelian by the Ministry of Environment on 10 December 2009, transferred to the Partnership on 11 January 2010, as amended on 10 December 2014, as may be further amended from time to time;

"Concession Information" means all information and data relating to the Area, the General Partner, the Partnership and the calculation of the Net Profits Interest, including but not limited to the Concessions, Mining Usufruct Agreements, joint venture arrangements, geological, geochemical and geophysical information, engineering, resource and reserves reports, logs and well data;

"Control" means the power of a person to secure, directly or indirectly, (whether by the holding of shares, possession of voting rights or by virtue of any other power conferred by the articles of association, constitution, partnership deed or other documents regulating another person or otherwise) that the affairs of such other person are conducted in accordance with his or its wishes and "Controlled" and "Controlling" shall be construed accordingly;

"Deed" means this deed, collectively with its schedules, as may be amended, restated, supplemented and/or superseded from time to time by the Parties;

"Expert" shall mean the person appointed to such role in accordance with Clause 7;

"First Production Date" shall mean the date upon which the proceeds of first sale of any quantity of Hydrocarbons from the Area are received, from a purchaser of such Hydrocarbons, including any of the Group Companies;

"Government Royalties" means the concession fees, mining usufruct rent, remuneration for the use of mining and geological data and all other payments due to the Ministry or other governmental authorities in relation to the mining of the Hydrocarbons in the Area;

"Gross Sales" shall mean the sum of the proceeds received by the Partnership for the sale of Hydrocarbons produced from the Area which shall include:

- (a) the proceeds received from sales to Affiliates as determined by Clause 2.8; and
- (b) the proceeds received from sales to any third party as determined by Clause 2.8,

less any value added tax in the relevant Profit Calculation Period;

"**Group Companies**" means Horizon, the General Partner, the Partnership and their Affiliates, subsidiaries and subsidiary undertakings from time to time and "**Group Company**" means any one of them;

"**Hydrocarbons**" means mean oil, gas and other hydrocarbons produced from or otherwise attributable to the Area;

"**Last Production Date**" means the date upon which the last proceeds of sale of any quantity of Hydrocarbons from the Area is received, from any purchaser of such Hydrocarbons, including Affiliates, occurs;

"**LCIA Court**" means London Court of International Arbitration;

"**LCIA Rules**" means the LCIA Court Arbitration Rules (2014);

"**Legal Requirement**" means any requirement, order, constitution, law, ordinance, statute, treaty of a governmental or regulatory or supranational or multinational organisation of body entitled to exercise any administrative, executive, judicial, legislative or regulatory power or the regulations of any recognised stock exchange or market;

"**LIBOR**" shall mean means the London Interbank Offered Rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for US Dollars and the period of one (1) month displayed on page LIBOR01 or LIBOR02 of the Thomson Reuters Screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters as of 11.00 a.m. London time on the relevant date, and if any such rate is below zero, LIBOR will be deemed to be zero. If such page or service ceases to be available, Horizon may specify another page or service displaying the relevant rate after consultation and agreement with Aurelian;

"**Market Price**" means the price which would have been paid for the Hydrocarbons, expressed in US Dollars taking into account its quantity and quality if it were subject to a sale at arm's length on the international market between a willing buyer and a willing seller in the open market;

"**Mining Usufruct Agreements**" means:

- (a) the agreement for mining usufruct (*umowa użytkowania górniczego*) dated 4 May 2009, concluded between State Treasury and Aurelian, transferred to the Partnership on 28 August 2009, as amended on 30 April 2014; and
- (b) the agreement for mining usufruct (*umowa użytkowania górniczego*) dated 10 December 2009, concluded between State Treasury and Aurelian, transferred to the Partnership on 14 December 2009, as amended on 10 December 2014 and 29 January 2016, as may be further amended from time to time;

"**Ministry**" shall mean the Ministry of the Environment of the Republic of Poland (*Ministerstwo Ochrony Środowiska*);

"**Net Profits Interest**" means (Gross Sales – Operating Costs) x 0.06;

"**NPI Period**" means the period from the First Production Date until the Last Production Date;

"**Operating Costs**" means the normal, at arm's length and directly attributable costs of petroleum operations incurred by the Partnership as part of operations in respect of the Area and shall include production costs, Government Royalties, Tax paid by the Partnership, transportation and

marketing costs but shall not include any Tax paid by the Group Companies, any other net profits interest, royalty or other sums paid by the Group Companies based upon production from the Area or any repayment of any debts, interests and liabilities including those subsisting or outstanding owed by the Partnership and/or the General Partner to any of the Group Companies;

"Profit Calculation Period" means a 6-month period starting on 1 January or 1 July of each year and the first Profit Calculation Period shall be the remainder of the 6-month period after the First Production Date;

"Tax" means income tax (including income tax required to be deducted or withheld from or accounted for in respect of any payment), corporation tax, advance corporation tax, unrecoverable value added tax, non-capex related customs duties, employer and employee social security contributions and other similar employer and employee contributions, non-capex related levies, non-capex related duties or withholdings corresponding to, similar to, replaced by or replacing any of them together with any interest in connection with any such taxation on the sale of Hydrocarbons from the Area; and

"US Dollars", "USD" or "US\$" means the lawful currency of the United States of America from time to time.

1.2 In this Deed, unless the contrary intention appears:

- (a) Clause, Schedule and paragraph headings shall not affect the interpretation of this Deed. References to clauses and Schedules are to the clauses of and Schedules to this Deed and references to paragraphs are to paragraphs of the relevant Schedule;
- (b) the Schedules form part of this Deed and shall have effect as if set out in full in the body of this Deed and any reference to this Deed includes the Schedules;
- (c) words in the singular shall include the plural and the plural shall include the singular;
- (d) a reference to one gender shall include a reference to the other genders;
- (e) a person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and that person's personal representatives, successors and permitted assigns;
- (f) a reference to a Party shall include that Party's personal representatives, successors and permitted assigns;
- (g) a reference to a company shall include any company, corporation or other body corporate, wherever and however incorporated or established;
- (h) a reference to a holding company or a subsidiary means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Companies Act 2006 of the United Kingdom;
- (i) any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms; and
- (j) a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time provided that, as between the Parties, no such amendment, extension or re-enactment made after the date of this Deed shall apply for

the purposes of this Deed to the extent that it would impose any new or extended obligation, liability or restriction on, or otherwise adversely affect the rights of, any Party.

2. Net Profits Interest

2.1 Subject to the terms of this Deed, Horizon hereby agrees to pay Aurelian the Net Profits Interest during the NPI Period.

2.2 No later than twenty (20) Business Days after the end of each Profit Calculation Period, the Partnership shall prepare and submit to Aurelian a statement showing the calculations for the Net Profits Interest (the "**Bi-annual Net Profits Statement**") which statement shall include the following information for the Profit Calculation Period covered by the statement:

- (a) the Gross Sales;
- (b) the Operating Costs;
- (c) the quantity and quality of Hydrocarbons produced;
- (d) the sale price of Hydrocarbons sold during the Profit Calculation Period;
- (e) any other information that is reasonably necessary to confirm the Net Profits Interest; and
- (f) Tax paid by the Partnership.

If Aurelian requests further information or explanations reasonably necessary to confirm the Net Profits Interest regarding Bi-annual Net Profits Statement including the calculation of the Net Profits Interest, the Partnership and Horizon shall provide such information or explanations within ten (10) Business Days of such request.

2.3 If, acting reasonably, Aurelian believes that:

- (a) the Bi-annual Net Profits Statement is not correct; and/or
- (b) the proceeds from sales of Hydrocarbons from the Area to any third party which are identified in the Bi-annual Net Profits Statement do not reflect proceeds for third party arm's length sales,

then it shall notify Horizon not later than ten (10) Business Days from the date of receipt of the Bi-annual Net Profits Statement setting out in reasonable detail its reasons to doubt the accuracy of the details contained within the such Bi-annual Net Profits Statement. If Aurelian and Horizon are not able to reach agreement on the issue in dispute within ten (10) Business Days of such notice then the matter shall be resolved by an Expert in accordance with Clause 7.

2.4 Notwithstanding that there may be a dispute in relation to a Bi-annual Net Profits Statement, pursuant to Clause 2.3, Horizon shall pay the full amount of the Net Profits Interest set out in the relevant Bi-annual Net Profits Statement in accordance with Clause 2.5. Horizon shall pay any amount owing, as determined by the Expert, within five (5) Business Days of the dispute being resolved by the Expert. If the Expert determines that the amount of Net Profits Interest paid to Aurelian exceeded the amount required to be paid, Horizon shall set off the difference from the next Net Profit Interest payable to Aurelian.

2.5 The Net Profits Interest shall be payable in Euro by Horizon to Aurelian in free and clear funds within twenty (20) Business Days of submitting the Bi-annual Net Profits Statement to Aurelian.

without any set off, withholding, condition, counterclaim or discount of whatsoever nature (save as provided in Clause 2.4) by wire transfer to the following account:

Bank:	[•]
Account name:	[•]
BIC:	[•]
IBAN:	[•]

or such other account as Aurelian specifies for the purpose of that payment by giving notice to Horizon not less than three (3) Business Days before the date that payment is due.

- 2.6 If Horizon fails to pay the Net Profits Interest on the due date for payment, the outstanding amount shall bear simple interest at LIBOR plus 8% from the due date up to and including the date of payment.
- 2.7 For the avoidance of doubt, if the Net Profits Interest is zero or less than zero, there shall be:
- (a) no obligation for Horizon to pay Aurelian any Net Profits Interest; and
 - (b) Aurelian shall be under no obligation to make any payment to Horizon.
- 2.8 In calculating Gross Sales the proceeds received shall be determined as the greater of the actual proceeds received by the Partnership based upon the contract selling price to an Affiliate or a third party, and the deemed proceeds received by the Partnership if the Hydrocarbons had been sold to an Affiliate or a third party at the Market Price.
- 3. Information Requirements**
- 3.1 The Partnership shall provide Aurelian with a production forecast for the following calendar year on 1 November of each calendar year and shall provide to Aurelian within one (1) month any production forecast updates which become available.
- 3.2 As soon as reasonably practicable and no later than three (3) months after the end of each calendar year, the Partnership shall prepare and submit to Aurelian a statement setting out the estimated reserves in the Area and shall provide to Aurelian within one (1) month any other reserves updates which become available.
- 3.3 The Partnership shall give notice to Aurelian as soon as practicable of:
- (a) the grant of any concession (other than the Concessions) that relates to any part of the Area; and
 - (b) the investment decision pursuant to Article 49z of the Act of 9 June 2011 – the Geological and Mining Law relating to any part of the Area.
- 3.4 The Partnership shall use all reasonable endeavours to give:
- (a) ten (10) Business Days' notice to Aurelian in advance of the anticipated date of any cessation of production from the Area; and
 - (b) sixty (60) Business Days' notice to Aurelian in advance of the anticipated date of a permanent cessation of production from the Area.

- 3.5 The Partnership shall keep complete and accurate records of all matters related to the Bi-annual Net Profits Statements in respect of the previous six (6) calendar years at any given time and shall permit Aurelian, its nominated persons, its advisors or its auditors to inspect such records and access to metering equipment at all reasonable times so far as may be necessary to ascertain or confirm the correctness of the Bi-annual Net Profits Statement and the Net Profits Interest for the applicable Profit Calculation Period (an "Audit") provided that if there are third party costs arising from an Audit which exceed €5,000, Aurelian shall reimburse the Partnership for such costs.
- 3.6 The Partnership shall provide such Concession Information to Aurelian as it reasonably requests within ten (10) Business Days of such request.
- 3.7 Within fifteen (15) Business Days of receipt of accounts (including audited accounts) in respect of the Area, the Partnership shall provide copies of such accounts and/or audited accounts to Aurelian.
- 3.8 The requirements set out in this Clause 3 shall apply notwithstanding any confidentiality obligations which Horizon or the Partnership may owe jointly or individually under any other agreement.
- 4. Scope of the Net Profits Interest**
- 4.1 The Net Profits Interest shall apply to the Area which for the purposes of this Clause, shall include:
- (a) all concessions granted in respect of the Area and other similar arrangements thereof;
 - (b) all renewals, extensions, reissuance of a concession in respect of the Area and other similar arrangements thereof;
 - (c) any title granted, wholly or partly in lieu thereof, as a result thereof or consequent thereto;
 - (d) any title wholly or partly derived therefrom;
 - (e) any production or exploitation licence granted to Horizon, any Group Company and any permitted assign of any of the foregoing on the basis thereof; and
 - (f) any part of any other exploration or production licence to which Horizon or any Group Company or any permitted assign shall become entitled; and which replaces, in whole or in part, the rights of any of the foregoing in respect of the Area.
- 4.2 The Net Profits Interest shall not be subordinated to any other royalties, burdens, impairments or other encumbrances payable or granted to any person in respect of the Area other than the Government Royalties and Tax or any third party loans made, at arm's length commercial terms, to the Partnership in respect of the development of any field for the exploitation of the Hydrocarbons produced from the Area. In the event of the appointment of a liquidator or receiver or anything analogous under applicable jurisdiction in respect of Horizon, the Net Profits Interest shall be treated as a secured interest ahead of any and all other trade or unsecured creditors.
- 5. Obligations of Horizon and the Partnership**
- 5.1 During the NPI Period, Horizon and the Partnership each undertake:
- (a) to comply with the terms and conditions of any concession in respect of the Area;

- (b) to lodge all reports on the Area that fall due for lodgement under applicable Legal Requirements;
 - (c) to pay all fees, rents, rates and other monies levied or assessed upon the Area under the applicable Legal Requirements;
 - (d) not to do any act whereby the Area may become liable to forfeiture; and
 - (e) and insofar as it is applicable to a Group Company, to procure the adherence of Clauses 5.1(a) to (d) by a Group Company.
- 5.2 Subject to clauses 10.1(c), 10.1(d) and 10.1(e) of the SPA, Horizon shall at all times indemnify, defend and hold Aurelian harmless, against any claim for costs and expenses which arise or are incurred and shall bear all capital expenditures and the depreciation or amortisation, including all those associated with the development of the Area and all of the capital expenditures and the depreciation or amortisation in plugging and abandoning any wells and decommissioning and/or removal of any infrastructure associated with production from the Area.
- 6. Termination**
- 6.1 Subject to Clause 6.2, in the event the Area is finally and irrevocably relinquished by the Partnership or by any permitted assign or successor, then the obligation to pay the Net Profits Interest shall terminate and shall be of no further force and effect.
- 6.2 The Partnership or any permitted assign or successor of the Area shall not surrender, release or allow to terminate (together the "**Surrender**") any portion of the Area without giving notice of such proposed Surrender in writing to Aurelian at least ninety (90) days before such proposed Surrender. Within thirty (30) days after receipt of such notice, Aurelian may request, by notice in writing, an assignment to Aurelian of the portion of the Area which is proposed to be Surrendered and the Partnership shall forthwith effect such assignment to Aurelian in consideration of one (1) Euro, subject to all necessary governmental consents.
- 7. Expert Determination**
- 7.1 Whenever any person is to be appointed as an Expert or any matter is to be referred to an Expert pursuant to this Agreement or the Parties agree that a matter is to be resolved by an Expert, the relevant Party shall provide written notice to the other Parties and Aurelian and Horizon will use reasonable endeavours to agree on the Expert to be appointed.
- 7.2 If Aurelian and Horizon are unable to agree upon the identity of the Expert to be appointed within ten (10) Business Days of written notice pursuant to Clause 7.1, then the president of the Institute of Chartered Accountants in England and Wales (or such other professional accounting entity that Aurelian and Horizon may agree in writing) shall select and appoint the Expert and the Parties shall co-operate in good faith to do everything necessary to procure the effective appointment of the Expert.
- 7.3 Aurelian and Horizon shall agree terms of engagement with the Expert as soon as reasonably practicable and in any event within five (5) Business Days after the Expert is nominated and shall not withhold or delay their consent to such terms if they are reasonable and consistent with the provisions of this Deed. The Parties shall counter-sign the terms of appointment as soon as they are agreed. If Aurelian and Horizon do not agree the terms of engagement, then either Aurelian or Horizon shall be entitled to refer the matter to the Expert who shall be entitled to settle such terms of reference as they consider reasonable.

- 7.4 The Parties shall cooperate fully with the Expert to enable a determination of the matter referred to the Expert.
- 7.5 The Parties shall each promptly provide, and Horizon shall procure that the Group Companies shall promptly provide, the Expert with all access to information, assistance (including assistance from employees) and shall deliver books and records of account, documents, files, working papers and any information stored electronically which the Expert reasonably requests.
- 7.6 The terms of engagement of the Expert shall include the following and the Expert shall act on the following basis:
- (a) as an expert and not as an arbitrator;
 - (b) the Expert shall decide the procedure to be followed in the determination;
 - (c) the Expert shall be required to submit their written opinion on the matter referred to them within thirty (30) days after their appointment;
 - (d) the Expert shall be entitled (to the extent they consider it appropriate) to base their determination on such information and on the accounting and other records of the Group Companies provided by the Parties;
 - (e) the Expert shall deliver a written report; and
 - (f) the language of any report and all communications with the Expert shall be English.
- 7.7 The determination of the Expert shall (in the absence of fraud, or manifest error) be final and binding on the Parties.
- 7.8 If the Expert finds that:
- (a) additional monies are payable in respect of the Net Profits Interest from Horizon to Aurelian, then the costs of the Expert shall be borne by Horizon; and
 - (b) no additional monies are payable in respect of the Net Profits Interest from Horizon to Aurelian, then the costs of the Expert shall be borne by Aurelian.
- 8. Guarantee**
- 8.1 Each of the Partnership and the General Partner unconditionally and irrevocably jointly guarantee to Aurelian that if Horizon fails to pay to Aurelian the Net Profit Interest that is due and owing as determined by Clause 2 then, at Aurelian's election, the Partnership or the General Partner shall, within 5 Business Days of receipt of notification from Aurelian, pay to Aurelian the Net Profit Interest that is then outstanding on behalf of Horizon (the "Guaranteed Obligation").
- 8.2 The Partnership's and the General Partner's obligations under or in connection with this Clause 8 shall be in addition to and independent of all other security or security interests which Aurelian may at any time hold in respect of any of the obligations and liabilities of Horizon.
- 8.3 The guarantee set out in this Clause 8 shall not be reduced, waived, discharged or otherwise adversely affected by:
- (a) any grant of time or other indulgence or any extension, renewal, acceptance, forbearance or release in respect of the Guaranteed Obligation;
 - (b) any waiver or release of any right or option of Aurelian of this Deed;

- (c) any modification of or variation to the terms of this Deed;
- (d) any irregularity, defect or informality in this Deed or any legal limitation, disability or incapacity of the Horizon or lack of authority of any person appearing to be acting for Horizon;
- (e) any corporate reorganisation, reconstruction, amalgamation, dissolution, merger, acquisition of or by or other alteration in the corporate existence or structure of Horizon;
- (f) any transfer or assignment of rights or obligations under this Deed;
- (g) any composition or arrangement made by Aurelian with Horizon or any other person;
- (h) any dealing with, exchange, modification or abstention from perfecting or enforcing any right held by Aurelian from or against Horizon or any other person; or
- (i) any other act, omission, matter or thing which, but for this provision, would or might reduce, discharge or otherwise adversely affect the obligations of the Partnership and the General Partner,

it being the intention of the Partnership and the General Partner that the guarantee set out in this Clause 8 shall be absolute and unconditional in any and all circumstances and may be enforced by Aurelian as often as the need may arise.

Guarantee in full force and effect

- 8.4 The guarantee set out in this Clause 8 shall remain in full force and effect until final and irrevocable payment in full of the Guaranteed Obligation in accordance with the terms and provisions of this Deed notwithstanding the insolvency, liquidation or dissolution of Horizon or any other event of any nature.
- 8.5 If any payment by Horizon or any discharge given by Aurelian is avoided or reduced as a result of liquidation or insolvency or any similar event or circumstances, the liability of Horizon, the Partnership and the General Partner shall continue as if the payment, discharge, avoidance or reduction had not occurred and Aurelian shall be entitled to recover the full value or amount of that payment, discharge, avoidance or reduction, subject to applicable laws.
- 8.6 If Horizon does not pay the Net Profit Interest in accordance with Clause 2.5, Aurelian may make a demand for any undisputed payment under this Clause 8 before making any demand on Horizon or in respect of Horizon's insolvency or liquidation or on any other person, or enforcing any other guarantee or security for the Guaranteed Obligation, or resorting to any other means of payment. Each of the Partnership and the General Partner hereby waives any right it may have of first requiring Aurelian (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Partnership and/or the General Partner under this Clause 8.

Restrictions on the Partnership and the General Partner

- 8.7 Until all of the Guaranteed Obligation has been irrevocably paid or discharged in full, the Partnership and the General Partner will not, unless Aurelian otherwise directs:
 - (a) make or enforce any claim (including, but not limited to, a claim by way of set-off or counterclaim) or right against Horizon or prove in competition with Aurelian, whether in respect of any payment under this Clause 8 made by the Partnership, the General Partner or otherwise; or

- (b) be entitled to claim or have the benefit of any set-off, counterclaim or proof against, or any dividend paid on a winding-up or composition with creditors by Horizon; or
- (c) be entitled to claim or otherwise obtain the benefit (by way of subrogation or otherwise) of any security or guarantee or indemnity at any time held by Aurelian for or in respect of the Guaranteed Obligation; or
- (d) claim or enforce any right of contribution against any co-surety.

Further acts of the Partnership and the General Partner

8.8 If requested by Aurelian, the Partnership and the General Partner shall:

- (a) exercise any right of proof or claim in the winding-up, administration, voluntary arrangement, bankruptcy or estate of Horizon on behalf of Aurelian and hold any dividend or other money received in respect of such proof or claim upon trust for Aurelian to the extent of the Guaranteed Obligation; and
- (b) hold upon trust for Aurelian any money which it may receive or recover from any co-surety by virtue of any rights of contribution.

Receipt by the Partnership and the General Partner

8.9 If while the Partnership and the General Partner remains under any liability to Aurelian under the guarantee set out in this Clause 8, any moneys or other property or assets shall be received or recovered by the Partnership or the General Partner in breach of any provisions of this Clause 8, such moneys or other property or assets shall be held upon trust to pay or transfer the same to Aurelian to the extent of such liability.

9. Assignment

9.1 Neither Horizon nor the Partnership shall (either directly or indirectly through an Affiliate) sell, transfer, farm out, mortgage, charge, allow to become encumbered or grant any power of attorney or lien over or otherwise deal with or part with possession of or otherwise dispose of an interest in the Area (whether through a sale of shares in the General Partner or a sale of the legal and beneficial interest of the Partnership or otherwise) or otherwise transfer or assign its obligations under this Deed, without prior written notice to Aurelian and in accordance with Clauses 9.2, 9.3 and 9.4.

9.2 Horizon may only transfer or assign all or part of its rights or obligations under this Deed ("**Horizon Assigned Interest**") if the assignee or transferee before such transfer or assignment expressly undertakes, in writing, in favour of Aurelian in a form acceptable to Aurelian to assume Horizon's obligation to pay Aurelian the Net Profits Interest (proportionate to the Horizon Assigned Interest) and to otherwise assume, perform and observe Horizon's other obligations under this Deed in respect of the Assigned Interest.

9.3 The Partnership and the General Partner may only transfer or assign:

- (a) all or part of its rights or obligations under this Deed; and/or
- (b) all or part of its rights or obligations in the Area,

if the assignee or transferee before such transfer or assignment expressly undertakes, in writing, in favour of Aurelian in a form acceptable to Aurelian to assume, perform and observe the

Partnership or the General Partner's obligations under this Deed, including performing and observing the Guaranteed Obligation.

- 9.4 Horizon, the General Partner and the Partnership shall provide to Aurelian evidence that is reasonably acceptable to Aurelian of the financial capability and creditworthiness of the proposed respective assignee or transferee and if Aurelian is not reasonably satisfied as to the financial capability and creditworthiness of the proposed assignee or transferee, it may reject the form of undertaking given pursuant to Clauses 9.2 and 9.3.
- 9.5 Aurelian may, at any time, transfer or assign all or part of its rights or obligations pursuant to this Deed to any third party on written notice to Horizon.
- 9.6 This Deed shall be binding on and enure for the benefit of the successors and permitted assigns of the Parties.

10. Confidentiality

Except as required by a Legal Requirement to which a Party is subject, each of the Parties shall keep confidential and shall procure that respective officers, advisors and agents, shall not disclose to any other person, nor use for any purpose, either the existence of this Deed or any information obtained from the other Parties as a result of negotiating, entering into, implementing or being part of this Deed provided however that this obligation shall not apply to any information which:

- (b) is publicly available;
- (c) is obtained by the other Party otherwise than as a result of negotiating, entering into, implementing this Deed and is not a breach of any other confidentiality restrictions that that Party is subject to; and
- (d) is required to be disclosed in accordance with regulations binding on any stock exchange to which that Party is subject to.

11. Further assurance

- 11.1 The Parties shall (at their own expense) promptly execute and deliver such documents and perform such acts as the other Parties may require from time to time for the purpose of giving full effect to the Deed.
- 11.2 Each of Horizon, the Partnership and the General Partner shall procure the convening of all meetings, the giving of all waivers and consents and the passing of all resolutions as are necessary under statute, its constitutional documents or any agreement or obligation affecting it to give effect to the Deed.

12. Entire agreement

This Deed (together with the documents referred to in them) constitute the entire agreement between the Parties and supersedes and extinguishes all previous agreements, discussions, correspondence, negotiations, drafts, agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to the Net Profits Interest and other matters referred to in this Deed.

13. Variation and waiver

- 13.1 No variation of this Deed shall be effective unless it is in writing and signed by the Parties (or their authorised representatives).
- 13.2 A waiver of any right or remedy under this Deed or by law is only effective if it is given in writing and is signed by the person waiving such right or remedy. Any such waiver shall apply only to the circumstances for which it is given and shall not be deemed a waiver of any subsequent breach or default.
- 13.3 A failure or delay by any person to exercise any right or remedy provided under this Deed or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy.

14. Costs

Except as expressly provided in this Deed, each Party shall pay its own costs and expenses incurred in connection with the negotiation, preparation and execution of this Deed (and any documents referred to in it).

15. Notices

- 15.1 A notice given to a Party under or in connection with this Deed:
- (a) shall be in writing and in English;
 - (b) shall be signed by or on behalf of the Party giving it;
 - (c) shall be sent to the relevant Party for the attention of the contact and to the address or email specified in Clause 22.2, or such other address, email or person as that Party may notify to the other in accordance with the provisions of this Clause 22;
 - (d) shall be:
 - (i) delivered by hand; or
 - (ii) sent by email; or
 - (iii) sent by airmail or by reputable international overnight courier (if the notice is to be served by post to an address outside the country from which it is sent); and
 - (e) unless proved otherwise is deemed received as set out in Clause 22.4.
- 15.2 The addresses and emails for service of notices are:
- (a) Aurelian:
 - (i) address: 84 Brook Street, London W1K 5EH, United Kingdom
 - (ii) 
 - (iii) 
- With copy to:

(i) address: San Leon Energy plc, 3300 Lake Drive, Citywest Business Campus,
Dublin 24, Ireland

(ii)

(iii)

(b) Horizon

(i) address: [•]

(ii) for the attention of: [•]

(iii) email: [•]

With copy to:

(i) address: [•]

(ii) for the attention of: [•]

(iii) email: [•]

(c) the Partnership:

(i) address: [•]

(ii) for the attention of: [•]

(iii) email address: [•]

With copy to:

(i) address: [•]

(ii) for the attention of: [•]

(iii) email: [•]

(d) the General Partner:

(i) address: [•]

(ii) for the attention of: [•]

(iii) email address: [•]

With copy to:

(i) address: [•]

(ii) for the attention of: [•]

(iii) email: [•]

- 15.3 A Party may change its details for service of notices as specified in Clause 22.2 by giving notice to the other Parties. Any change notified pursuant to this Clause shall take effect at 9.00 am on the later of:
- (a) the date (if any) specified in the notice as the effective date for the change; or
 - (b) 5 Business Days after deemed receipt of the notice of change.
- 15.4 Delivery of a notice is deemed to have taken place (provided that all other requirements in this Clause have been satisfied):
- (a) if delivered by hand, on signature of a delivery receipt or at the time the notice is left at the address; or
 - (b) if sent by email, at the time of transmission (provided that, in the case of email transmission, a scan of a notice signed by the persons duly authorised to represent a Party is attached); or
 - (c) if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the 5th Business Day after posting; or
 - (d) if deemed receipt under the previous paragraphs of this Clause 22.4 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this Clause, all references to time are to local time in the place of deemed receipt.
- 15.5 To prove service, it is sufficient to prove that:
- (a) if delivered by hand, the notice was delivered to the correct address; or
 - (b) if sent by email, a read receipt was received confirming that the notice was successfully read; or
 - (c) if sent by airmail, the envelope containing the notice was properly addressed, paid for and posted.
- 15.6 This Clause 22 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.
- 16. Severance**
- If any provision or part-provision of this Deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this Clause shall not affect the validity and enforceability of the rest of this Deed.
- 17. Third party rights**
- 17.1 A person who is not a Party to this Deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed.
- 17.2 The rights of the Parties to terminate, rescind or agree any variation, waiver or settlement under this Deed are not subject to the consent of any other person.

18. Successors

This Deed (and the documents referred to in it) are made for the benefit of the Parties and their successors and permitted assigns, and the rights and obligations of the Parties under this Deed shall continue for the benefit of, and shall be binding on, their respective successors and permitted assigns.

19. Counterparts

19.1 This Deed may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

19.2 No counterpart shall be effective until each Party has executed at least one counterpart.

20. Rights and remedies

20.1 Except as expressly provided in this Deed, the rights and remedies provided under this Deed are in addition to, and not exclusive of, any rights or remedies provided by law.

20.2 No delay or omission by any Party to this Deed in exercising any right, power or remedy provided by law or under this Deed or any other documents referred to in it shall affect that right, power or remedy, or operate as a waiver thereof. The single or partial exercise of any right, power or remedy provided by law or under this Deed shall not preclude any other or further exercise of it or the exercise of any right, power or remedy.

21. Governing law and jurisdiction

21.1 This Deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

21.2 Each Party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Deed or its subject matter or formation (including non-contractual disputes or claims).

22. Service of Process

22.1 Aurelian irrevocably appoints Oisin Fanning, San Leon Energy plc, 84 Brook Street, London W1K 5EH, United Kingdom as its agent to receive service of process in any legal action or proceedings related to this Deed in the courts of England and Wales. If an agent for service of process appointed under this Clause 30.1 ceases to have an office in England, Aurelian must ensure that there is another person in England to receive process on its behalf.

22.2 Horizon irrevocably appoints [•] as its agent to receive service of process in any legal action or proceedings related to this Deed in the courts of England and Wales. If an agent for service of process appointed under this Clause 30.2 ceases to have an office in England, Horizon must ensure that there is another person in England to receive process on its behalf.

22.3 The Partnership irrevocably appoints [•] as its agent to receive service of process in any legal action or proceedings related to this Deed in the courts of England and Wales. If an agent for service of process appointed under this Clause 30.3 ceases to have an office in England, the Partnership must ensure that there is another person in England to receive process on its behalf.

The General Partner irrevocably appoints [] as its agent to receive service of process in any legal action or proceedings related to this Deed in the courts of England and Wales. If an agent for service of process appointed under this 22.4 ceases to have an office in England, the General Partner must ensure that there is another person in England to receive process on its behalf.

Schedule 1

Area

Bielsko –Biała area 804,6 km2

ID	PL-1992 [m]	
	X [NORTH]	Y [EAST]
1	237124,18	535946,53
2	200075,62	536193,52
3	199955,72	500124,12
4	218477,52	500124,15
5	218499,11	514622,35
6	227019,95	514380,11
7	226835,06	500124,17
8	229328,58	500124,17
9	229280,61	502045,97
10	229364,88	503255,17
11	229414,46	503948,71
12	232358,44	506037,83
13	229444,7	506049,15
14	229550,43	507604,75
15	232670,16	514841,19
16	232884,95	514969,26
17	233275,16	515012,45
18	234124,19	514451,09
19	235195,63	514972,13
20	237023,75	514492,48

Cieszyn area 325,793 km2

ID	PUWG 1992 [m]	
	X [NORTH]	Y [EAST]
1	475510,38	218212,20
2	477443,15	221932,93
3	477887,19	223490,93
4	477770,44	223872,41
5	478337,62	224715,17
6	480953,53	226020,64
7	481410,03	226659,26
8	482557,17	226659,30

9	482690,08	218434,63
10	500124,08	218493,73
11	500124,11	213248,44
12	494644,09	213252,86
13	494644,09	204422,26
14	478500,71	204260,96
the border of the concession between points 14 and 15 shall be the state border		
15	471632,91	211922,05
16	478264,07	213419,46
17	478343,71	218148,89
excluding area limited by coordinates (mining area „Pogórz” established for natural gas deposit „Pogórz”)		
18	489270,29	214362,74
19	489273,55	214842,41
20	486795,32	214953,70
21	486781,07	214475,04
excluding area limited by coordinates (mining area „Dębowiec” established for natural gas deposit „Dębowiec Śląski”)		
22	479179,45	218355,58
23	483395,00	217369,92
24	485165,84	215664,12
25	485067,75	215383,36
26	483749,60	215280,17
27	482547,59	213767,87
28	479316,36	214753,98
29	479773,93	216342,64
30	478697,86	216692,99

EXECUTED as a deed and delivered on the date stated at the beginning of this document.

EXECUTED as a **DEED** on behalf of **AURELIAN OIL & GAS POLAND SP. Z.O.O.** a company incorporated in the Republic of Poland, by *[full name(s) of person(s) signing]*, being [a] person[s] who, in accordance with the laws of that territory, [is][are] acting under the authority of the company:

.....Authorised signatory

.....[Authorised signatory]

EXECUTED as a **DEED** on behalf of **HORIZON PETROLEUM LIMITED** a company incorporated in Canada, by *[full name(s) of person(s) signing]*, being [a] person[s] who, in accordance with the laws of that territory, [is][are] acting under the authority of the company:

.....Authorised signatory

.....[Authorised signatory]

EXECUTED as a **DEED** on behalf of **ENERGIA KARPATY ZACHODNIE SP. Z.O.O.** a company incorporated in the Republic of Poland, by *[full name(s) of person(s) signing]*, being [a] person[s] who, in accordance with the laws of that territory, [is][are] acting under the authority of the company:

.....Authorised signatory

.....[Authorised signatory]

EXECUTED as a DEED by ENERGIA KARPATY ZACHODNIE
SP. Z O.O. SP. K. acting
by a member in the presence of:

.....
Signature of member

Signature of witness

Print name:

Address

.....

.....

Occupation

Schedule 7

Final Agreements

Final Agreement

This **SHARE DISPOSAL DEED** (the "**DISPOSAL DEED**") is executed on [●], by and between:

- (1) **AURELIAN OIL & GAS POLAND SP. Z O.O.**, with corporate seat in Warsaw, address: ul. Moniuszki 1A, 00-014 Warsaw, Poland, entered into register of entrepreneurs of the National Court Register under KRS no 0000252004, having tax identification number (NIP) 5252354361 and statistical number (REGON) 140417734, with a share capital of PLN 50,000, fully paid up, represented by [●] (the "**Seller**");
- (2) **HORIZON PETROLEUM LIMITED**, with its registered office at Suite 1500, 700 - 4th Avenue SW, Calgary, Alberta, T2P 3J4 represented by [●] (the "**Buyer**")

Seller and **Buyer** are hereinafter also referred to individually as a "**Party**" and collectively as the "**Parties**".

WHEREAS:

- (A) The Seller is sole shareholder of Energia Karpaty Zachodnie spółka z ograniczoną odpowiedzialnością, with corporate seat in Warsaw, address: ul. Moniuszki 1A, 00-014 Warsaw, Poland, entered into register of entrepreneurs of the National Court Register under KRS no [REDACTED], having tax identification number (NIP) [REDACTED] and statistical number [REDACTED] (REGON) [REDACTED] ("**Company**") with a share capital of PLN 50,000, as it owns 1,000 shares, each with nominal value of PLN 50, representing 100% of the outstanding share capital and voting rights of the Company (the "**Shares**").

Umowa ostateczna

Niniejsza **UMOWA ROZPORZĄDZAJĄCA UDZIAŁAMI („UMOWA ROZPORZĄDZAJĄCA”)** została zawarta w dniu [●], pomiędzy:

- (3) **AURELIAN OIL&GAS POLAND SP. Z O.O.** z siedzibą w Warszawie, przy ul. Moniuszki 1A, 00-014 Warszawa, wpisaną do rejestru przedsiębiorców Krajowego Rejestru Sądowego pod numerem KRS0000252004, posiadającą numer NIP 5252354361 i REGON 140417734, o kapitale zakładowym w wysokości 50,000 PLN, w pełni opłaconym, reprezentowaną przez [●] ("**Sprzedający**");
- (4) **HORIZON PETROLEUM LIMITED**, z siedzibą po adresem: Suite 1500, 700 - 4th Avenue SW, Calgary, Alberta, T2P 3J4 reprezentowaną przez [●] ("**Kupujący**")

Sprzedający i **Kupujący** są dalej również zwani łącznie „**Stronami**” a każdy z osobna „**Stroną**”.

ZWAŻYWSZY, ŻE:

- (A) Sprzedający jest jedynym udziałowcem w spółce Energia Karpaty Zachodnie z ograniczoną odpowiedzialnością, utworzonej zgodnie z przepisami prawa polskiego, z siedzibą pod adresem: ul. Moniuszki 1A, 00-014 Warszawa, wpisanej do rejestru przedsiębiorców Krajowego Rejestru Sądowego pod numerem KRS [REDACTED] REGON: [REDACTED] NIP: [REDACTED] ("**Spółka**"), o kapitale zakładowym w wysokości 50.000 PLN, posiadającym 100 udziałów, o wartości nominalnej 50 PLN każdy, stanowiącej 100% kapitału zakładowego tej Spółki oraz uprawniających do wykonywania 100% praw głosu („**Udziały**").

- | | |
|--|---|
| <p>(B) On [●] the Parties concluded the Share Purchase Agreement ("SPA"), based on which the Seller agreed to sell and the Buyer agreed to purchase the Shares subject to fulfillment or waiver of Conditions Precedent by the Long Stop Date (both as defined therein).</p> | <p>(B) W dniu [●] Strony zawarły Umowę Sprzedaży Udziałów („Umowa Sprzedaży Udziałów”), na podstawie której Sprzedający postanowił sprzedać a Kupujący postanowił kupić Udziały, z zastrzeżeniem spełnienia lub zrzeczenia Warunków Zawieszających w Nieprzekraczalnym Terminie (oba terminy zostały zdefiniowane w powyższej Umowie Sprzedaży Udziałów).</p> |
| <p>(C) The Parties confirm that all the Conditions Precedent defined in the SPA were fulfilled or waived by the Long Stop Date and that they wish to enter into this Disposal Deed in order to effectuate the transfer of the Shares to the Buyer.</p> | <p>(C) Strony potwierdzają, że wszystkie Warunki Zawieszające zdefiniowane w Umowie Sprzedaży Udziałów zostały spełnione lub były przedmiotem zrzeczenia w Nieprzekraczalnym Terminie i w związku z tym Strony postanawiają zawrzeć niniejszą Umowę Rozporządzającą w celu przeniesienia Udziałów na Kupującego.</p> |

NOW, THEREFORE, the Parties have agreed as follows:

W ZWIĄZKU Z POWYŻSZYM, Strony postanawiają, co następuje:

1. DEFINITIONS AND INTERPRETATION

1.1 Unless specifically provided otherwise hereunder, the capitalized terms used herein shall have the same meaning as ascribed thereto in the SPA.

1.2 In this Disposal Deed, unless otherwise specified:

1.2.1. headings are for convenience only and do not affect its interpretation;

1.2.2. a reference to an agreement or other document is a reference to that agreement or document as supplemented, amended or novated.

2. TRANSFER OF SHARES

2.1 In the performance of its obligations under the SPA, the Seller hereby transfers to the Buyer and the Buyer

1. DEFINICJE I INTERPRETACJE

1.1 Z zastrzeżeniem wyrażnych odmiennych postanowień zawartych w niniejszej Umowie, terminy pisane wielką literą w niniejszej Umowie mają znaczenie nadane im w Umowie Sprzedaży Udziałów.

1.2 W niniejszej Umowie Rozporządzającej, z zastrzeżeniem odmiennych postanowień:

1.2.1. tytuły zostały uwzględnione jedynie dla ułatwienia odniesień i pozostają bez wpływu na interpretację;

1.2.2. odniesienia do umowy lub innego dokumentu stanowią odniesienia do takiej umowy lub dokumentu z uzupełnieniami, zmianami lub nowacjami.

2. PRZENIESIENIE UDZIAŁÓW

2.1 W wykonaniu zobowiązań wynikających z Umowy Sprzedaży Udziałów, Sprzedający niniejszym

hereby acquires from the Seller all of the Shares free and clear of any Encumbrances for consideration as defined in clause 3.1 of the SPA. Title to the Shares shall pass to the Buyer upon the signing of this Disposal Deed.

2.2 Upon the acquisition of the Shares:

2.2.1. the Buyer shall procure that the Company will enter the Buyer's name in the Company's register of shareholders as the holder of the Shares, and remove the Seller's name, and that the newly appointed by the Buyer management board of the Company registers the change in shareholding with the Registry Court accordingly, and

2.2.2. the Buyer shall procure that an ordinary meeting of the shareholders of the Company is convened immediately following the end of the financial year of the Company and that the meeting will pass a vote of acceptance (*absolutorium*) of the duties performed by previous management board members.

3. REPRESENTATIONS AND WARRANTIES

3.1 Representation of the Seller. The Seller hereby represents and warrants to the Buyer that each of the statements included in Schedule 3 of the SPA is hereby repeated and that each of such statements is true, accurate and not misleading as at the date hereof.

przenosi na Kupującego a Kupujący niniejszym nabywa od Sprzedającego wszystkie Udziały, wolne od Obciążeń w zamian za wynagrodzenie określone w punkcie 3.1 Umowy Sprzedaży Udziałów. Tytuł prawny do Udziałów przechodzi na Kupującego w momencie podpisania niniejszej Umowy Rozporządzającej.

2.2 Po nabyciu Udziałów:

2.2.1. Kupujący zapewni aby Spółka dokonała wpisu Kupującego w księdzie udziałów Spółki jako posiadacza Udziałów oraz wykreśliła Sprzedającego, a także aby nowo ustanowiony przez Kupującego zarząd Spółki dokonał zmiany udziałowca w Sądzie Rejestrowym, oraz

2.2.2. Kupujący zapewni zwołanie zwyczajnego zgromadzenia wspólników Spółki niezwłocznie po zakończeniu roku finansowego Spółki oraz udzielenie poprzedniemu zarządowi absolutorium.

3. OŚWIADCZENIA I ZAPEWNIENIA

3.1 Oświadczenia Sprzedającego. Sprzedający niniejszym oświadcza i zapewnia Kupującego, że każde z oświadczeń zawartych w Załączniku 3 Umowy Sprzedaży Udziałów zostaje niniejszym powtórzone oraz, że każde takie oświadczenie jest na dzień zawarcia niniejszej Umowy Rozporządzającej zgodne z prawdą,

dokładne i nie wprowadzające w błąd.

4. NO BREACH

The Seller hereby confirms to the Buyer that as at the date hereof no breach of obligations of the Seller and/or the Company under clause 5 of the SPA continues to exist which would not have been cured by the Seller or waived by the Buyer.

4. BRAK NARUSZEŃ

Sprzedający niniejszym potwierdza Kupującemu, że na dzień zawarcia niniejszej Umowy Rozporządzającej nie istnieją jakiegokolwiek naruszenia zobowiązań Sprzedającego lub Spółki wynikających z punktu 5 Umowy SPA, które nie zostałyby usunięte przez Sprzedającego lub które nie byłyby przedmiotem zrzeczenia przez Kupującego.

5. FINAL PROVISIONS

5.1 Continued effect of the SPA. The execution of this Disposal Deed is without any prejudice to the continued binding effect of the applicable provisions of the SPA, which shall remain in full force and shall be binding upon the Parties after the date hereof.

5. POSTANOWIENIA KOŃCOWE

5.1 Wiązacy skutek Umowy Sprzedaży Udziałów. Zawarcie niniejszej Umowy Rozporządzającej pozostaje bez uszczerbku dla wiążącego skutku obowiązujących postanowień Umowy Sprzedaży Udziałów, które pozostaną ważne i będą obowiązywać Strony po dacie zawarcia niniejszej Umowy Rozporządzającej.

5.2 Governing law. This Disposal Deed shall be governed by and construed in accordance with Polish law without regard to the provisions thereof relating to choice or conflicts of law.

5.2 Prawo właściwe. Niniejsza Umowa Rozporządzająca podlega prawu polskiemu i zgodnie z nim będzie interpretowana, z wyłączeniem mocy obowiązującej przepisów kolizyjnych oraz przepisów dotyczących prawa właściwego zawartych w przepisach prawa polskiego.

5.3 Dispute resolution. Each of the Parties irrevocably agrees that the courts of Poland competent for the Śródmieście District of the Capital City of Warsaw will have jurisdiction to settle any dispute which may arise out of or in connection with this Disposal Deed.

5.3 Rozstrzygnięcia sporów. Każda ze Stron w sposób nieodwołalny postanawia, że sądy w Polsce właściwe dla Dzielnicy Śródmieście miasta stołecznego Warszawy będą sądami właściwymi do rozstrzygania wszelkich sporów, które mogą wyniknąć z niniejszej Umowy Rozporządzającej lub w związku z niniejszą Umową Rozporządzającą.

5.4 Costs and expenses. Each Party pays its own costs, expenses, fees and charges (including legal, advisory and accountancy fees) arising from

5.4 Koszty i wydatki. Każda ze Stron ponosi własne koszty, wydatki, opłaty i należności (w tym wynagrodzenie prawników, doradców i księgowych)

the negotiation, preparation and performance of this Disposal Deed. Notwithstanding the above, the Buyer shall, when due, (a) at its own expense file all necessary documentation with respect to any transfer taxes and (b) pay all transfer taxes in connection with the transaction contemplated by this Disposal Deed.

w związku z wynegocjowaniem, sporządzeniem i wykonaniem niniejszej Umowy Rozporządzającej. Bez uszczerbku dla powyższego, Kupujący zobowiązuje się w terminie (a) na własny koszt złożyć wszelką niezbędną dokumentację dotyczącą podatków od czynności cywilnoprawnych, oraz (b) zapłacić wszelkie podatki od czynności cywilnoprawnych w związku z transakcją planowaną na mocy niniejszej Umowy Rozporządzającej.

5.5 Amendments. This Disposal Deed was made in a written form with signatures certified by a notary. Any amendments shall be made in appropriate written form, otherwise they shall be null and void.

5.5 Zmiany. Niniejsze Umowa Rozporządzająca została sporządzona w formie pisemnej z podpisami poświadczonymi przez notariusza. Wszelkie zmiany dla swej ważności wymagają dla swej ważności zachowania odpowiedniej formy pisemnej.

5.6 Severability. If any provision hereof shall be deemed invalid or legally ineffective in any other way, the other provisions hereof shall remain valid. In respect of the provisions which are invalid or ineffective, the Parties shall negotiate in good faith and to the extent possible alternative provisions which shall be valid and enforceable and which shall reflect the original intentions of the Parties to the greatest extent possible.

5.6 Rozłączność postanowień. Jeżeli którekolwiek z postanowień niniejszej Umowy zostanie uznane za nieważne lub prawnie nieskuteczne w jakikolwiek sposób, pozostałe postanowienia niniejszej Umowy pozostaną ważne. W odniesieniu do postanowień, które są nieważne lub nieskuteczne, Strony przystąpią w dobrej wierze do negocjacji w celu uzgodnienia, w możliwym zakresie, alternatywnych postanowień, które będą ważne i wykonalne i które będą w możliwie najszerszym zakresie odzwierciedlać pierwotne intencje Stron.

5.7 Copies. This Disposal Deed was executed in two copies, one copy for each of the parties.

5.7 Egzemplarze. Niniejsza Umowa Rozporządzająca została zawarta w dwóch egzemplarzach, po jednym egzemplarzu dla każdej strony.

For and on behalf of:

W imieniu i na rzecz:

Seller/Sprzedający

Buyer/Kupujący

[name/Imię i nazwisko]
[Position/Stanowisko]

[name/Imię i nazwisko]
[Position/Stanowisko]

TRANSFER OF LP INTEREST AND CHANGES TO THE AOA

NOTARIAL DEED

On [●] two thousand seventeen, in my notarial office at [●], before me [●], notary public, the following person appeared:

1. [●], residing in [●], at: [●], holder of identity card no. [●], having PESEL [●], representing Aurelian Oil&Gas sp. z o.o. [●] ("Aurelian");
2. [●], residing in [●], at: [●], holder of identity card no. [●], having PESEL [●], representing Horizon Petroleum Ltd [●] ("Horizon");
3. [●], residing in [●], at: [●], holder of identity card no. [●], having PESEL [●], representing Energia Karpaty Zachodnie sp. z o.o. [●] ("EKZ");

The identity of the appearing persons was established based on the identity card referred to above.

AGREEMENT ON THE TRANSFER OF RIGHTS AND OBLIGATIONS OF A LIMITED PARTNER AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

§ 1. [●] declares that on [●] Aurelian, represented by him, concluded with Horizon an agreement ("Agreement") under which Aurelian undertook, among others, to transfer to Horizon all the rights and obligations of a limited partner that Aurelian has in Energia Karpaty Zachodnie spółka z ograniczoną odpowiedzialnością sp.k. (the "Company") with its seat in Warsaw, entered into the register of entrepreneurs of the National Court Register under no. [●] in exchange for [●] shares of the total value of [●] in the share capital of Horizon;

— the articles of association of the Company drawn down on [●] by [●],

AKT NOTARIALNY

Dnia [●] roku dwa tysiące siedemnastego, w kancelarii notarialnej przy [●], przede mną [●], notariuszem, stawili się:

1. [●], zamieszkały: [●], ulica [●] nr [●], legitymujący się dowodem osobistym [●], posiadający PESEL [●], reprezentujący Aurelian Oil&Gas sp. z o.o. [●] ("Aurelian");
2. [●], zamieszkały: [●], ulica [●] nr [●], legitymujący się dowodem osobistym [●], posiadający PESEL [●], reprezentujący Horizon Petroleum Ltd [●] ("Horizon");
3. [●], zamieszkały: [●], ulica [●] nr [●], legitymujący się dowodem osobistym [●], posiadający PESEL [●], reprezentujący Energia Karpaty Zachodnie sp. z o.o. [●] ("EKZ");

Tożsamość stawiających notariusz stwierdził na podstawie powołanego wyżej dowodu osobistego.

UMOWA PRZENIESIENIA PRAW I OBOWIĄZKÓW KOMANDYTARIUSZA ORAZ ZMIANA UMOWY SPÓŁKI

§ 1. [●] oświadcza, że w dniu [●] reprezentowana przez niego spółka Aurelian zawarła z Horizon umowę ("Umowa"), na podstawie której Aurelian zobowiązała się, m. in. do prześnienia na Horizon ogółu praw i obowiązków komandytariusza, które przysługują Aurelian w spółce Energia Karpaty Zachodnie spółka z ograniczoną odpowiedzialnością sp.k. ("Spółka") z siedzibą w Warszawie, wpisanej do rejestru przedsiębiorców Krajowego Rejestru Sądowego pod numerem [●] w zamian za [●] udziały w kapitale zakładowym Horizon o wartości łącznej [●];

— umowa spółki Spółki z dnia [●], zawarta przed [●], notariuszem w [●], Rep. A [●],

notary in [●], Rep. A [●], provide in § 14 item 1 that each of the partners is entitled to transfer to a third party all his rights and obligations, upon a written consent of the other partners;

— [●]

§ 2. [●] declares that in performance of the obligations under the Agreement, Aurelian transfers to Horizon all its rights and obligations as a limited partner of the Company, together with any rights, privileges and obligations held by the limited partner, to which Horizon consents and declared that it acquires these rights and obligations in exchange for [●] shares of the total value of [●] in the share capital of Horizon, effective as of the date hereof.

§ 3. [●] declares that EKZ consents to the above transfer of rights and obligations of a limited partner of the Company.

§ 4. [●] declares that Horizon and EKZ amend the articles of association of the Company in the following way:

[provisions of the AoA to be amended]

§ 5. [●] declare that Horizon and EKZ adopt the following consolidated text of the articles of association of the Company:

[consolidated text of the AoA]

§ 6. Fees charged:

- notarial fee on the basis of § 3 and 5 of the Ordinance of the Minister of Justice dated 28 June 2004 on the Maximum Notarial fees (consolidated text: Journal of Laws from 2013, item 237) in the amount of PLN [●]
- VAT at the 23% rate on the basis of Article 41 of the Act dated 11 March 2004 on the value added tax (consolidated text: Journal of Laws 2011, No. 177, item 1054, as amended) in the amount of PLN [●]

przewiduje w § 14 punkt 1 tejże umowy prawo każdego ze wspólników do przeniesienia na osobę trzecią ogółu praw i obowiązków wspólnika za pisemną zgodą pozostałych wspólników;

— [●]

§ 2. [●] oświadcza, że w wykonaniu Umowy Aurelian przenosi na Horizon wszelkie prawa i obowiązki komandytariusza w Spółce, wraz z wszelkimi prawami, przywilejami oraz zobowiązaniami przysługującymi komandytariuszowi, na co Horizon wyraża zgodę i oświadcza, że prawa te i obowiązki nabywa w zamian za [●] udziałów w kapitale zakładowym Horizon o wartości łącznej [●] ze skutkiem na dzień sporządzenia niniejszego aktu.

§ 3. [●] oświadcza, że EKZ wyraża zgodę na powyższe przeniesienie powyższych praw i obowiązków komandytariusza w Spółce.

§ 4. [●] oświadczają, że reprezentowane przez nich spółki Horizon oraz EKZ zmieniają umowę Spółki w ten sposób, że:

§ 5. [●] oświadczają, że reprezentowane przez nich spółki Horizon oraz EKZ przyjmują tekst jednolity umowy spółki Spółki o następującej treści:

§ 6. Pobrano:

- takse notarialną na podstawie § 3 i 5 rozporządzenia Ministra Sprawiedliwości z dnia 28 czerwca roku 2004 w sprawie maksymalnych stawek taksy notarialnej (t.j. Dz. U. z 2013 r., poz. 237) w kwocie [●] zł;
- VAT według stawki 23% na podstawie art. 41 ustawy z dnia 11 marca roku 2004 o podatku od towarów i usług (t.j. Dz. U. z 2011 r., Nr 177, poz. 1054, ze zm.) w kwocie [●] zł

**This deed was read out, accepted
and signed.**

**Akt ten został odczytany, przyjęty i
podpisany.**

Schedule 8

Loan Assignment

THIS DEED is made this _____ day of _____ 2017

BETWEEN:

- (1) _____ a company registered in England and Wales (company no _____) whose registered office is at 4 Grosvenor Place, London SW1X 7HJ, United Kingdom _____
- (2) **ENERGIA KARPATY ZACHODNIE SP. Z O.O.**, with corporate seat in Warsaw, address at ul. Moniuszki 1A, 00-014 Warszawa ul. Moniuszki 1A, 00-014 Warsaw, Poland, entered into register of entrepreneurs of the National Court Register under KRS no _____ having tax identification number (NIP) _____ and statistical number (REGON) _____ ("EKZ"); and
- (3) **HORIZON PETROLEUM LIMITED**, with its registered office at Suite 1500, 700 - 4th Avenue SW, Calgary, Alberta, T2P 3J4, Canada ("Horizon").

BACKGROUND

- (A) AOGF and EKZ are parties to the loan agreement dated 22 November 2012 where AOGF agreed to provide a loan to EKZ (the "Agreement").
- (B) Aurelian Oil & Gas Poland Sp. z o.o. ("Aurelian") and Horizon have entered into a share purchase agreement dated [] (the "SPA") in respect of the sale of the entire issued share capital of EKZ and the rights and obligations of Aurelian as limited partner in Energia Karpaty Zachodnie spółka z ograniczoną odpowiedzialnością Sp. K. with effect from the date of completion of the SPA (the "Transfer Date").
- (C) The parties have agreed to enter into this Deed by which the rights and obligations of AOGF under the Agreement will be transferred to and undertaken by Horizon in place of and in substitution for AOGF with effect on and from the Transfer Date in accordance with the terms and conditions contained in this Deed.

In consideration of the mutual undertakings and releases contained in this Deed:

IT IS AGREED as follows:

1. With effect on and from the Transfer Date, _____ assigns to Horizon all of its rights, titles, powers, interests, benefits and obligations under the Agreement which would but for this Deed, subsist in favour of or be exercisable by _____ on and after the Transfer Date (including all accrued and unpaid interest under the Agreement) to ensure that after such assignment Horizon shall become the lender under the Agreement.
2. Horizon hereby undertakes and covenants that the rights, titles, powers interests, benefits and obligations referred to in clause 1 are assigned under this Deed with effect on and from the Transfer Date, free from any lien, charge, equity, encumbrance or other right exercisable by any third party.
3. EKZ hereby agrees to the assignment of _____ rights, titles, powers, interests, benefits and obligations under the Agreement to Horizon and releases and discharges _____ with effect on

and from the Transfer Date from all of its obligations and liabilities under or in connection with the Agreement.

4. Horizon undertakes with EKZ and EKZ undertakes with Horizon, with effect on and from the Transfer Date, to perform the obligations and liabilities and otherwise be bound by the Agreement in every way as if Horizon had at all times been a party to the Agreements in the place of [REDACTED].
5. It is agreed between EKZ and Horizon that:
 - (a) Horizon shall be entitled to the rights and benefits identical to those to which [REDACTED] was entitled under or in connection with the Agreement immediately prior to the Transfer Date; and
 - (a) EKZ shall be entitled to the rights and benefits in relation to Horizon, identical to those which it was entitled in relation to [REDACTED] under or in connection with the Agreement immediately prior to the Transfer Date.
6. With effect from the Transfer Date, the Agreement shall be read and construed as if all references to [REDACTED] were deleted and replaced by Horizon.
7. The Agreement shall, save as provided in this Deed, remain in full force and effect.
8. This Deed is conditional upon completion of the sale and purchase agreement referred to in recital (B) and if the Transfer Date has not occurred by the Long Stop Date (as defined in the SPA) this Deed shall lapse and be of no further force and effect, but the Agreement will remain in full force and effect.
9. This Deed may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement and any party may enter into this Deed by executing a counterpart.
10. This Deed shall be treated as constituting all actions, confirmations and undertakings required under the Agreements in order to permit the novation effected by this Deed and shall take effect according to the terms set out in this Deed notwithstanding any provision to the contrary contained in the Agreements. The Agreements shall be read and construed with such other amendments and modifications to it as may be necessary to give effect to the foregoing.
11. This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law and each party to this Deed, subject to the provisions of the Agreements submits to the non-exclusive jurisdiction of the English courts as regards any claim or matter arising under this Deed.
12. EKZ irrevocably appoints [•] as its agent to receive service of process in any legal action or proceedings related to this Deed in the courts of England and Wales. If an agent for service of process appointed under this clause 12 ceases to have an office in [•], EKZ must ensure that there is another person in England to receive process on its behalf.
13. Horizon irrevocably appoints [•] as its agent to receive service of process in any legal action or proceedings related to this Deed in the courts of England and Wales. If an agent for service of process appointed under this clause 13 ceases to have an office in [•], Horizon must ensure that there is another person in England to receive process on its behalf.

Executed as a deed and delivered on the date stated at the beginning of this document.

EXECUTED as a DEED by [REDACTED] acting
by two directors:

.....
Signature of director:

.....
Signature of [secretary][director]

EXECUTED as a DEED on behalf of ENERGIA KARPATY
ZACHODNIE SP. Z.O.O a company incorporated in the Republic
of Poland, by *[full name(s) of person(s) signing]*, being [a]
person[s] who, in accordance with the laws of that territory,
[is][are] acting under the authority of the company:

..... Authorised signatory

..... [Authorised signatory]

EXECUTED as a DEED on behalf of HORIZON PETROLEUM
LIMITED a company incorporated in Canada, by *[full name(s) of
person(s) signing]*, being [a] person[s] who, in accordance with
the laws of that territory, [is][are] acting under the authority of the
company:

..... Authorised signatory

..... [Authorised signatory]

Schedule 9

Budget

San Leon Concessions	2017		Budget 2018		
	3 Q	4 Q	1 Q	2 Q	Total €
EKZ Concession Costs	19,232	20,154	20,154	20,154	79,694
EKZ Current Concession Fees					0
EKZ Current Usufruct Fees			34,524	87,230	121,754
EKZ (G&A Fixed Fee)	3,000	3,000	3,000	3,000	12,000
Total	22,232	23,154	57,678	110,384	213,448

Schedule 10

Parent Company Guarantee

From: San Leon Energy plc

[•]

"Guarantor"

To: Horizon Petroleum Ltd

[•]

"Beneficiary"

[place]; [•]

Dear Sirs,

1. In consideration of Aurelian Oil & Gas Poland Sp. z o.o., entered into the business register of the [•] under number [•] (the [•]), having executed with the Beneficiary a share purchase agreement dated [] (the "Agreement"), under which [•] undertook to transfer to the Beneficiary the GP Shares and the LP Interest (as defined in the Agreement), the Guarantor hereby guarantees to the Beneficiary due and punctual performance by AOG of the following obligations set out in the Agreement:
 - (a) clause 10.1(b);
 - (b) clause 10.1(c);
 - (c) clause 10.1(d); and
 - (d) clause 10.1(e);(together, the "Guaranteed Liabilities").
2. The Beneficiary may request payment of the Guaranteed Liabilities under this letter within the limits indicated in the Agreement.
3. The Guarantor shall be entitled to raise the same rights of defence, set-off and/or counterclaim in respect of any claim, action or proceeding which [•] would have under the Agreements in respect of the same claim, action or proceeding if made by the Beneficiary against [•] under the Agreement.
4. If [•] fails to pay any of the Guaranteed Liabilities when and as they become due and payable pursuant to the Agreement, the Guarantor shall pay to the Beneficiary within 5 Business Days (as defined in the Agreement), an amount equal to any sum or sums which have not been paid by [•].

5. Subject to paragraph 2, the Guarantor's obligation set out in paragraph 1(b) shall only come into effect to the extent that the Deferred Amount (as defined in the Agreement) does not cover the liabilities of [REDACTED]
6. This guarantee shall remain in operation until the Guaranteed Liabilities have been paid in full or discharged in accordance with the Agreement.
7. Subject to paragraph 2, all sums due and payable by the Guarantor shall be paid in full in immediately available cleared funds to the account notified by the Beneficiary to us in the currency in which the Guaranteed Liabilities are payable.
8. Any notice under or any communication pursuant to this letter must be in writing and will only be effective if sent by hand or by pre-paid mail delivery service to the addresses stated at the beginning of this letter and if sent by hand shall be treated for the purposes of this letter as having been received by the recipient when left at the recipients address and if sent by pre-paid mail delivery service on the seventh Business Day (as defined in the Agreement) after sending.
9. The letter shall be binding on and enure for the benefit of the successors of the Beneficiary and the Guarantor but shall not be transferable by the Beneficiary or the Guarantor without the prior written consent of the other.
10. If any provision of this letter is or becomes invalid, illegal or unenforceable in respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.
11. This letter may only be varied by an agreement in writing signed by or on behalf of each party.
12. The Beneficiary and the Guarantor do not intend that any of the terms of this letter shall be enforceable (whether by virtue of the Contracts (Rights of Third Parties) Act 1999 or otherwise) by any person not a party to it.
13. This letter and any dispute, controversy, proceeding or claims of whatever nature arising out of or in any way relating to this letter or its formation (including any non-contractual disputes or claims shall be governed by and construed in accordance with English law.
14. The Guarantor irrevocably appoints [REDACTED] San Leon Energy plc, 84 Brook Street, London W1K 5EH, United Kingdom as its agent to receive service of process in any legal action or proceedings related to this letter in the courts of England and Wales. If an agent for service of process appointed under this paragraph 13 ceases to have an office in England, the Guarantor must ensure that there is another person in England to receive process on its behalf.
15. The Beneficiary irrevocably appoints [], United Kingdom as its agent to receive service of process in any legal action or proceedings related to this letter in the courts of England and Wales. If an agent for service of process appointed under this paragraph 14 ceases to have an office in England, the Beneficiary must ensure that there is another person in England to receive process on its behalf.

For San Leon Energy plc:

Signature: _____
Name: [•]
Position: [•]

Agreed and accepted for and on behalf of Horizon Petroleum Limited:

Signature:

Name:

Position: [x]

[x]

